

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Child Trust Funds Regulations 2004 (S.I. 2004/1450: “the principal Regulations”). The main effect of these Regulations is to provide for yearly government contributions into the Child Trust Fund accounts of disabled and severely disabled children.

Regulation 1 provides for citation, commencement and effect. Regulation 1(2) provides that entitlement to the contributions applies to children who became entitled to a disability living allowance on or after 6th April 2009. Regulation 2 provides for amendment of the principal Regulations.

Regulation 3 makes provision for the yearly disability payments (of £200 where the child is entitled to the care component of disability allowance at the highest rate, and otherwise of £100). The provision rests on “entitlement” to disability living allowance (rather than payment) in order to cover certain children in hospital in respect of whom payment is not made, but who would remain formally entitled to DLA.

Regulation 4 makes a small consequential amendment to the provisions in the principal Regulations, for recoupment of government contributions which are later found not to have been due.

Regulation 5 (and the inserted regulation 7B(5) and (6)) make provision for (a) HMRC to inform account providers that a child is entitled to a payment under regulation 7B (at either level) (b) the provider to claim the further contribution in their fortnightly electronic claim to HMRC and (c) for the crediting of the further contribution to the child’s Child Trust Fund account.

A full and final Impact Assessment has not been provided for this instrument as it has a negligible impact on business, and no impact on charities or voluntary bodies.