



Tax Credits Act 1999

1999 CHAPTER 10

Miscellaneous and supplemental

14 Persons qualifying for disabled person's tax credit

- (1) Subject to subsection (6) below, section 129 of the Social Security Contributions and Benefits Act 1992 (disabled person's tax credit) and section 128 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (equivalent provision for Northern Ireland) shall be amended in accordance with subsections (2) to (5) below.
- (2) In subsection (1), for "or (2A)" there shall be substituted ", (2A) or (2C)".
- (3) In subsection (2)(a), for "56 days" there shall be substituted "182 days".
- (4) After subsection (2B) there shall be inserted the following subsections—
 - "(2C) A person qualifies under this subsection if—
 - (a) the condition mentioned in subsection (2D) below is satisfied;
 - (b) a medical practitioner (within the meaning of the Administration Act) certifies, not more than 14 days before the date when the claim for disabled person's tax credit is made—
 - (i) that in his opinion the person will continue to have the disability in question for a period of at least six months; or
 - (ii) that in his opinion the person will continue to have that disability for the remainder of his life; and
 - (c) the level of the person's expected earnings is lower, by at least the required amount, than it would have been if he had not had the disability.
 - (2D) The condition is that there are 140 qualifying days, the last falling within the period of 56 days immediately preceding the date when the claim for disabled person's tax credit is made, which are days in respect of which—
 - (a) statutory sick pay has been payable to the person;
 - (b) the lower rate of short-term incapacity benefit has been payable to him;

Status: This is the original version (as it was originally enacted).

- (c) income support has been payable to him on grounds of incapacity; or
- (d) earnings have been credited to him under regulations made under section 22(5) above.

(2E) For the purposes of subsections (2C) and (2D) above—

- (a) the required amount, in relation to a person's expected earnings, is—
 - (i) 20 per cent of what those earnings would have been if he had not had the disability; or
 - (ii) if the amount given by sub-paragraph (i) above is less than the prescribed amount, the prescribed amount;
- (b) qualifying days are days forming part of a single period of incapacity for work within the meaning of Part XI of this Act; and
- (c) income support is payable to a person on grounds of incapacity if and only if he satisfies the condition in section 124(1)(e) above by virtue of being a person who—
 - (i) is, or is treated as, incapable of work for any purposes of this Act; or
 - (ii) is treated as capable of work by virtue of regulations under section 171E below.

(2F) Sections 3 and 112 above shall apply as if this section were included in Parts I to V of this Act.”

- (5) In subsection (8), after “allowance” there shall be substituted “, or the level of a person's expected earnings,”.
- (6) In section 128(2E)(c) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992, as inserted by subsection (4) above, for “124(1)(e)” there shall be substituted “123(1)(e)” and for “171E” there shall be substituted “167E”.
- (7) In section 11(3)(b) of the Social Security Administration Act 1992 (repeat claims), for the words from “he” to “that paragraph” there shall be substituted—
 - “(i) he qualified under subsection (2) of section 129 of the Contributions and Benefits Act by virtue of paragraph (a) of that subsection, or of there being payable to him a benefit under an enactment having effect in Northern Ireland and corresponding to a benefit mentioned in that paragraph; or
 - (ii) he qualified under subsection (2C) of that section or of section 128 of the Northern Ireland Contributions and Benefits Act,”.
- (8) In section 9(3)(b) of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland), for the words from “he” to “that paragraph” there shall be substituted—
 - “(i) he qualified under subsection (2) of section 128 of the Contributions and Benefits Act by virtue of paragraph (a) of that subsection, or of there being payable to him a benefit under an enactment having effect in Great Britain and corresponding to a benefit mentioned in that paragraph; or
 - (ii) he qualified under subsection (2C) of that section or of section 129 of the Great Britain Contributions and Benefits Act,”.

- (9) This section, except subsection (3) above (and subsection (1) above so far as relating to that subsection), applies to claims made, or treated as made, on or after 1st October 2000.

15 New category of child care providers for tax credit purposes

- (1) The Secretary of State may by regulations make a scheme for establishing a new category of persons whose charges for providing child care are to be taken into account for the purpose of determining—
- (a) the appropriate maximum working families' tax credit for the purposes of section 128(5) of the Social Security Contributions and Benefits Act 1992 or section 127(5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992; or
 - (b) the appropriate maximum disabled person's tax credit for the purposes of section 129(8) of the Social Security Contributions and Benefits Act 1992 or section 128(8) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- (2) A scheme so made shall—
- (a) provide that a person shall not fall within the new category unless he is approved by an accredited organisation in accordance with such criteria as may be determined by or under the scheme;
 - (b) authorise the making of grants or loans to, and the charging of reasonable fees by, accredited organisations; and
 - (c) include such other provisions as the Secretary of State considers necessary or expedient.
- (3) In subsection (2) above “accredited”, in relation to an organisation, means accredited by the Secretary of State in accordance with such criteria as may be determined by or under the scheme.
- (4) Regulations under this section—
- (a) may make different provision for different cases or circumstances or for different areas;
 - (b) may make such incidental, supplemental, consequential and transitional provision as appears to the Secretary of State to be necessary or expedient; and
 - (c) shall be made by statutory instrument which, subject to subsection (5) below, shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) A draft of the first regulations to be made under this section shall be laid before each House of Parliament and those regulations shall not be made unless the draft has been approved by a resolution of each House.

16 Northern Ireland

- (1) Working families' tax credit and disabled person's tax credit shall be excepted matters for the purposes of the Northern Ireland Act 1998.
- (2) For the purposes of that Act, a provision of—
- (a) any Act of the Northern Ireland Assembly; or
 - (b) any Bill for such an Act,

which amends or repeals a provision to which subsection (3) below applies shall not be treated as dealing with working families' tax credit or disabled person's tax credit if the amendment or repeal affects rights conferred by Schedule 3 to this Act and other employment rights in the same way.

- (3) This subsection applies to the provisions of the Employment Rights (Northern Ireland) Order 1996 which are amended or applied by Schedule 3 to this Act.

17 Financial provisions

- (1) There shall be paid out of money provided by Parliament—
- (a) any expenses incurred by the Board or the Secretary of State in consequence of this Act; and
 - (b) any increase attributable to this Act in the sums payable out of money so provided under any other Act.
- (2) There shall be paid into the Consolidated Fund any increase attributable to this Act in the sums payable into that Fund under any other Act.

18 Interpretation

In this Act, except where the context otherwise requires—

“appeal tribunal” means an appeal tribunal constituted under Chapter I of Part I of the Social Security Act 1998 or Chapter I of Part II of the Social Security (Northern Ireland) Order 1998;

“the Board” means the Commissioners of Inland Revenue;

“the Department” means the Department of Health and Social Services for Northern Ireland;

“employer” and “employee” shall be construed in accordance with section 6 above;

“General Commissioners” and “Special Commissioners” have the same meanings as in the Taxes Management Act 1970;

“payment period” means a period for which amounts are payable to a person by virtue of—

- (a) section 128(3) of the Social Security Contributions and Benefits Act 1992 (family credit) or section 129(6) of that Act (disability working allowance); or

- (b) section 127(3) or 128(6) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland);

“tax credit” means working families' tax credit or disabled person's tax credit;

“tax year” means any period of a year beginning on 6th April.

19 Transitional provision, savings and repeals

- (1) Any function falling within subsection (1)(a) or (c) of section 2 above which is a power to make subordinate legislation may be exercised by the Treasury or, as the case may be, the Board at any time after the passing of this Act if the subordinate legislation made in the exercise of the power comes into force after the commencement of that section.

- (2) Nothing in section 2 above affects the validity of anything done by or in relation to the Secretary of State or the Department before the commencement of that section; and anything which at that date is in the process of being done by or in relation to the Secretary of State or the Department may—
 - (a) if it relates to functions transferred by subsection (1) of section 2 above to the Treasury, be continued by or in relation to the Treasury;
 - (b) if it relates to functions transferred by that subsection to the Board or an officer of the Board, be continued by the Board or, as the case may be, an officer of the Board.
- (3) Any authority, appointment, decision, determination, approval, consent or direction given or made or other thing done, or having effect as if given, made or done, by the Secretary of State or the Department in connection with functions transferred by subsection (1) of section 2 above shall have effect as if given, made or done by the Treasury or, as the case requires, the Board or an officer of the Board in so far as that is required for continuing its effect after the commencement of that section.
- (4) The enactments specified in Schedule 6 to this Act are repealed to the extent specified in the third column of that Schedule.

20 Short title, commencement and extent

- (1) This Act may be cited as the Tax Credits Act 1999.
- (2) This Act, except—
 - (a) this section;
 - (b) section 6;
 - (c) subsections (2) and (4) to (9) of section 14 (and subsection (1) of that section, except so far as relating to subsection (3)); and
 - (d) subsection (1) of section 19,shall come into force on 5th October 1999.
- (3) This Act extends to Northern Ireland.