

*These notes refer to the Tax Credits Act 1999 (c.10)
which received Royal Assent on 30 June 1999*

TAX CREDITS ACT 1999

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 4: Special provisions for certain contracts

The Benefits Agency, who administer Family Credit, receives goods and services under a range of contracts, and section 3 provides that where the contracts relate wholly to the functions being transferred, they will become contracts with the Inland Revenue. However, they also receive goods and services under contracts which provide for the supply to other parts of the DSS. Section 4 provides for continuity in the transfer of these contracts.

Section 4(1) defines the contracts to which the section applies. They are contracts which are which relate partly to functions being transferred and partly to those being retained by the Secretary of State.

Section 4(2) disapplies section 3 for the contracts covered by this section.

Section 4(3) provides that the contracts involved shall be treated as also providing goods and services to the Inland Revenue. So when the functions are transferred, the Inland Revenue will be able to receive goods and services under these contracts, although they will be managed by the DSS.

Section 4(4) ensures that references to the Secretary of State also include those to the Department of Social Security.