

## SCHEDULES

### SCHEDULE 2

#### TRANSFER OF FUNCTIONS

#### PART IV

##### MODIFICATION OF ENACTMENTS

- 10 (1) Section 71 of the Social Security Administration Act 1992 (overpayments: general), and section 69 of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland), shall have effect in any case where the overpayment was made in respect of tax credit as if for subsections (8) and (9) there were substituted—
- “(8) An amount recoverable under subsection (1) above in any year of assessment—
- (a) shall be treated for the purposes of Part VI of the Taxes Management Act 1970 (collection and recovery) as if it were tax charged in an assessment and due and payable;
  - (b) shall be treated for the purposes of section 203(2)(a) of the Income and Corporation Taxes Act 1988 (PAYE) as if it were an underpayment of tax for a previous year of assessment.
- (8A) Where—
- (a) an amount paid in respect of a claim is recoverable under subsection (1) above; and
  - (b) a penalty has been imposed under section 9(1) of the Tax Credits Act 1999 (penalties for fraud etc.) on the ground that a person fraudulently or negligently made an incorrect statement or declaration in connection with that claim,
- the amount shall carry interest at the rate applicable from the date on which it becomes recoverable until payment.
- (9) The rate applicable for the purposes of subsection (8A) above shall be the rate from time to time prescribed under section 178 of the Finance Act 1989 for those purposes.”
- (2) After paragraph (gg) of section 178(2) of the Finance Act 1989 (setting rates of interest) there shall be inserted—
- “(gh) section 71(8A) of the Social Security Administration Act 1992, and section 69(8A) of the Social Security Administration (Northern Ireland) Act 1992, as they have effect in any case where the overpayment was made in respect of working families' tax credit or disabled person's tax credit;”.

- 11 The following sections—

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- (a) section 110 of the Social Security Administration Act 1992 (appointment and powers of inspectors); and
- (b) section 104 of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland),

shall not apply to the extent that the provisions, matters or Acts concerned relate to tax credit or in any case where the benefit concerned is tax credit.

12 The following sections—

- (a) section 111 of the Social Security Administration Act 1992 (delay, obstruction etc. of inspector); and
- (b) section 105 of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland),

shall not apply in any case where the exercise of the power, or the question, information or document, relates to tax credit.

13 The following sections—

- (a) sections 111A and 112 of the Social Security Administration Act 1992 (dishonest and fraudulent representations); and
- (b) sections 105A and 106 of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland),

shall not apply in any case where the benefit or other payment or advantage is or relates to, or the failure to notify relates to, tax credit.

14 The following sections—

- (a) section 113 of the Social Security Administration Act 1992 (breach of regulations); and
- (b) section 107 of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland),

shall not apply in the case of a provision relating to tax credit.

15 The following sections—

- (a) section 115A of the Social Security Administration Act 1992 (penalty as alternative to prosecution); and
- (b) section 109A of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland),

shall not apply in any case where the overpayment is in respect of tax credit.

16 The following sections—

- (a) sections 182A and 182B of the Social Security Administration Act 1992 (return and redirection of post); and
- (b) sections 158A and 158B of the Social Security Administration (Northern Ireland) Act 1992 (corresponding provision for Northern Ireland),

shall not apply in any case where the social security post, or the offences or the information the accuracy of which is to be checked, relates to tax credit.

17 The words “, family credit” shall cease to have effect in—

- (a) section 6(1) of the Child Support Act 1991 (recovery of child support maintenance from absent parent); and
- (b) Article 9(1) of the Child Support (Northern Ireland) Order 1991 (corresponding provision for Northern Ireland).

18 (1) The words “Disability working allowance” shall cease to have effect in—

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- (a) column 2 of Schedule 2 to the Social Security (Recovery of Benefits) Act 1997 (benefits which are listed benefits for the purposes of that Act); and
  - (b) column 2 of Schedule 2 to the Social Security (Recovery of Benefits) (Northern Ireland) Order 1997 (benefits which are listed benefits for the purposes of that Order).
- (2) Nothing in sub-paragraph (1) above shall affect the operation of that Act or that Order in cases where the payments or likely payments referred to in section 1(1)(b) of that Act or, as the case may be, Article 3(1)(b) of that Order are for a payment period beginning before the commencement of that sub-paragraph.
- 19 The following provisions—
- (a) section 27 of the Social Security Act 1998 (restrictions on entitlement to benefit in certain cases of error); and
  - (b) Article 27 of the Social Security (Northern Ireland) Order 1998 (corresponding provision for Northern Ireland),
- shall not apply in any case where the determination relates to tax credit.