

TAX CREDITS ACT 2002

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Tax Credits

Section 11: Maximum rate

67. **Section 11** provides for the elements making up the working tax credit to be set out in regulations.
68. The working tax credit must include an element available to any person entitled to working tax credit. This is to be known as the "basic element" of working tax credit. A person entitled to working tax credit must also be entitled to an extra element, to be known as the "disability element", if they have a disability that puts them at a disadvantage in getting a job and they satisfy such other conditions as are set out in regulations.
69. The section then enables regulations to be made setting out the other elements of working tax credit available. These may include:
- an element for being engaged in remunerative work to a certain extent, for example, working a certain number of hours;
 - an element for couples, or for lone parents;
 - an element for adults who are disabled or severely disabled;
 - an element for adults over a prescribed age, meeting prescribed criteria and returning to work after a prescribed period.