

*These notes refer to the Child Poverty Act 2010 (c.9)
which received Royal Assent on 25 March 2010*

CHILD POVERTY ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

Part 1 – National Targets, Strategies and Reports (Sections 1 to 18)

Section 5: The absolute low income target

19. *Section 5* sets the absolute low income target. The target is that less than 5% of children who live in qualifying households live in households that have an equivalised net income for the financial year below 60% of median income in the financial year beginning with 1 April 2010, up-rated annually in line with inflation. Many respondents to the consultation *Ending Child Poverty: Making it Happen* indicated that it was important for the Act to include an absolute low income target.
20. *Subsection (3)* provides a regulation-making power to set the calculation for up-rating the base amount annually, taking into account changes in prices. The regulations are likely to refer to the Retail Price Index. This regulation-making power is subject to the negative resolution procedure.