



Childcare Payments Act 2014

2014 CHAPTER 28

Special rules affecting tax credit and universal credit claimants

30 Termination of tax credit awards

- (1) In this section “the relevant day”, in relation to a person who has made a declaration of eligibility for an entitlement period, means—
 - (a) the first day of the entitlement period, or
 - (b) if later, the day on which the declaration of eligibility for the entitlement period was made.
- (2) This subsection applies where—
 - (a) a person (“P”) has made a valid declaration of eligibility for an entitlement period,
 - (b) an award of a tax credit is or has been made—
 - (i) to P or to a person who is P’s partner on the relevant day (whether on a single claim or a joint claim), or
 - (ii) to both of them on a joint claim, and
 - (c) the award is for a period that includes the relevant day.
- (3) Where subsection (2) applies, the award of the tax credit terminates immediately before the relevant day, regardless of whether the decision on the claim was made before or after the relevant day.

This is subject to subsections (4) to (7).
- (4) Where a person has made a valid declaration of eligibility for more than one entitlement period beginning during the determination period (see subsection (5)), the award of the tax credit is terminated immediately before the day which is the relevant day in relation to the first of those entitlement periods.
- (5) In subsection (4) the “determination period”, in relation to an award of a tax credit, means the period—
 - (a) beginning with the day on which the claim for the tax credit was made, and
 - (b) ending with the day on which the decision on the claim was made.

(6) Where—

(a) a person has applied for a review under section 21A of the Tax Credits Act 2002 of a decision not to make an award of a tax credit or to terminate such an award, and

(b) the conclusion on the review is that the decision is varied or cancelled,
subsection (3) does not apply in respect of the award in relation to any entitlement period beginning before the day on which the person is notified of the conclusion on the review.

(7) Where—

(a) a person has brought an appeal under section 38 of the Tax Credits Act 2002 against a decision not to make an award of a tax credit or to terminate such an award, and

(b) the appeal is upheld,
subsection (3) does not apply in respect of the award in relation to any entitlement period beginning before the day on which the person is notified of the decision on the appeal.

(8) Where an award of a tax credit made to a person is terminated by virtue of this section—

(a) HMRC must notify the person of that fact,

(b) the tax credits legislation applies in relation to the person with such modifications as may be made in regulations, and

(c) the amount of any tax credit to which the person is entitled is to be calculated in accordance with the tax credits legislation, subject to any such modifications of that legislation.

(9) Regulations may make further provision for the purpose of securing that, where a person makes a valid declaration of eligibility, any entitlement of the person, or a person who is the person's partner, to payments under the tax credits legislation ceases immediately before the relevant day.

(10) Regulations under subsection (9) may, in particular—

(a) provide that the tax credits legislation applies in relation to the person whose entitlement to such payments has ceased with such modifications as may be specified in the regulations, and

(b) apply any provision of this section with such modifications as may be so specified.

(11) If—

(a) a person makes a declaration of eligibility for an entitlement period, and

(b) at any time after the relevant day HMRC determine that the declaration was not valid,

that does not affect anything done by virtue of this section as a result of the making of the declaration.

(12) In this section—

“joint claim” and “single claim” have the same meaning as in the Tax Credits Act 2002;

“the tax credits legislation” means the Tax Credits Act 2002 and any provision made under that Act.

- (13) This section ceases to have effect when the repeal of Part 1 of the Tax Credits Act 2002 made by Schedule 14 to the Welfare Reform Act 2012 has fully come into force.