

## **EXPLANATORY MEMORANDUM**

### **THE CHILD BENEFIT (RATES) REGULATIONS 2006**

**SI 2006 No. 965**

#### **1. Introduction**

This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs (HMRC) and is to be laid before Parliament by Command of Her Majesty.

#### **2. Description**

These regulations replace and consolidate the Child Benefit and Social Security (Fixing and Adjustment of Rates) Regulations 1976 (SI 1976/1267) and Child Benefit and Social Security (Fixing and Adjustment of Rates) (Northern Ireland) Regulations 1976 (SR 1976 No. 223) as amended, which are now considerably out of date and require revision.

The Regulations remove outdated provisions from the earlier legislation and include reference to a qualifying young person, the new class of person in respect of whom Child Benefit may be claimed and paid from 10<sup>th</sup> April 2006. Whilst the Regulations revoke the Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) Regulations 1998 and Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) (Northern Ireland) Regulations 1998, the transitional protection, which those Regulations afforded to certain classes of lone parent under the 1976 Regulations, is maintained by the new Regulations.

#### **3. Matter of Special Interest to the Joint Committee on Statutory Instruments**

These Regulations require approval by means of a resolution of each House of Parliament.

The new Regulations make provision for weekly rates of Child Benefit payable from 10 April 2006 (£17.45 for the eldest or only child or qualifying young person in a family and £11.70 for other children or qualifying young persons). These Regulations incorporate the increase in child benefit which would otherwise have been effected by an amendment to both sets of 1976 Regulations by means of a Child Benefit Up-rating Order.

#### **4. Legislative Framework**

The Child Benefit and Social Security (Fixing and Adjustment of Rates) Regulations 1976 and the Child Benefit and Social Security (Fixing and Adjustment of Rates) (Northern Ireland) Regulations 1976 set out the rates of child benefit and limit the child benefit rate payable in prescribed circumstances to that payable for the second and subsequent children in a family.

The Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) Regulations 1998 and Child Benefit and Social Security (Fixing and

Adjustment of Rates) (Amendment) (Northern Ireland) Regulations 1998 provide for savings and transitional provisions in respect of a higher rate of child benefit payable to lone parents prior to 6 July 1998 – so-called child benefit (lone parent).

## **5. Extent**

This instrument applies to all of the United Kingdom.

## **6. European Convention of Human Rights**

The Paymaster General, Dawn Primarolo, has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Child Benefit (Rates) Regulations 2006 are compatible with the Convention rights.

## **7. Policy Background**

The Child Benefit Act 2005 makes amendments to Part 9 of the Social Security Contributions and Benefits Act 1992 and Part 9 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992. As a consequence of these amendments entitlement to child benefit in respect of people who have attained age 16 is conditional upon them satisfying conditions prescribed by regulation for being a qualifying young person. These conditions are set out in the Child Benefit (General) Regulations 2006.

### **7.1 The Child Benefit (Rates) Regulations**

- 7.1.1 Regulation 1 provides for the citation, commencement and interpretation of the regulations and include a definition of “qualifying young person” which refers to the sections of the Social Security Contributions and Benefits Act 1992 and Social Security Contributions and Benefit (Northern Ireland) 1992, which were amended by the Child Benefit Act 2005.
- 7.1.2 Regulation 2(1) sets out the rates at which child benefit is payable. It provides that child benefit shall be payable at an enhanced rate in regulation 2(1)(a) to a person for the only, elder or eldest child or qualifying young person for whom child benefit is payable and in all other cases at the basic rate of child benefit listed in regulation 2(1)(b).
- 7.1.3 Regulation 2(2) provides for the enhanced rate of child benefit to be paid only in respect of the only, elder or eldest child or qualifying young person for whom child benefit is payable where the person claiming is in a polygamous marriage (as defined by regulation 2(3)), living with their spouse or civil partner or living with another person as their spouse or civil partner.
- 7.1.4 Regulation 2(4) provides that a voluntary organisation or a person residing with a parent of a young person cannot receive the enhanced rate of child benefit in respect of any child or qualifying young person.

- 7.1.5 Regulation 2(5) provides for child benefit to be payable at the enhanced rate where a person receives an allowance, increase of benefit, pension or allowance (listed in regulation 2(6)) for the only, elder or eldest child or qualifying young person in respect of whom the person is entitled to child benefit.
- 7.1.6 Regulation 3 provides for transitional protection for those, who due to the revocation of the Child Benefit and Social Security (Fixing and Adjustment of Rates) Regulations 1976 and Child Benefit and Social Security (Fixing and Adjustment of Rates) Regulations 1976, would lose the transitional protection provided for under regulations 3 and 4 of the Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) Regulations 1998 and Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) Regulations 1998.
- 7.1.7 Regulation 4 provides for the revocations of the Child Benefit and Social Security (Fixing and Adjustment of Rates) Regulations 1976 and Child Benefit and Social Security (Fixing and Adjustment of Rates) (Northern Ireland) Regulations 1976 and legislation which has made amendments to those regulations.

## **8. Impact**

- 8.1 A regulatory impact assessment has not been prepared for this Statutory Instrument as it has no impact on businesses, charities or voluntary bodies.
- 8.2 The estimated cost of the increased child benefit rates in these Regulations is £256.7m.

## **9. Contact**

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