
STATUTORY INSTRUMENTS

2012 No. 849

The Tax Credits Up-rating Regulations 2012

Amendment of the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002

4.—(1) The Tax Credits (Income Thresholds and Determinations of Rates) Regulations 2002(1) are amended as follows.

(2) In the heading before regulation 5 (income test: relevant income) for “Amounts prescribed for the purposes of section 7(3)(a) and (b) of the Act” substitute “Amounts prescribed for the purposes of section 7(3) of the Act”.

(3) For regulation 5 substitute—

“**5.** The amount prescribed—

- (a) for the purposes of section 7(3)(a) and (b) of the Act is £10,000; and
- (b) for the purposes of section 7(3)(c) and (d) of the Act is £2,500.”.

(4) In regulation 7(3) (determination of rate of working tax credit) in Step 5 for “39%” substitute “41%”(2).

(5) In regulation 8(3) (determination of rate of child tax credit)—

- (a) in each of the headings before Steps 5, 6 and 7, and in Steps 6 and 7, omit “(other than the family element)”;
- (b) omit Steps 8, 9 and 10;
- (c) in consequence of the amendments made by paragraph (b), Step 11 is renumbered as “Step 8” and for the words from “Add together” to “This is the rate for the relevant period.” substitute—

“The rate for the relevant period is the total of the amounts found under Step 2 for the elements of the tax credit after any reduction in accordance with Step 6 or Step 7.”.

(1) [S.I. 2002/2008](#); relevant amending instruments are [S.I. 2010/751](#) and [S.I. 2010/981](#).

(2) The Welfare Reform Bill 2010-11, introduced to Parliament on 16th February 2011, was amended in the House of Lords at Committee stage by the addition of Clause 75 which provides that, in relation to awards of working tax credit for whole or part of the year beginning on 6th April 2011, Step 5 in regulation 7(3) has effect as if the percentage were 41% (instead of 39%).