

2015 No. 605

TAX CREDITS

**The Working Tax Credit (Entitlement and Maximum Rate)
(Amendment) Regulations 2015**

<i>Made</i> - - - -	<i>9th March 2015</i>
<i>Laid before Parliament</i>	<i>10th March 2015</i>
<i>Coming into force</i> - -	<i>6th April 2015</i>

The Treasury, in exercise of the powers conferred by sections 10(2), 10(3)(d), 65(1), (7) and (9) and 67 of the Tax Credits Act 2002(a) make the following Regulations:

Citation and commencement

1. These regulations may be cited as the Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015 and come into force on 6th April 2015.

Amendment of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002

2. The Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002(b) are amended as follows.

3. In regulation 2 (interpretation) for the definition of “self-employed” substitute —

““self-employed” means engaged in carrying on a trade, profession or vocation on a commercial basis and with a view to the realisation of profits, either on one’s own account or as a member of a business partnership and the trade, profession or vocation is organised and regular;”.

4. In paragraph (1) of regulation 4 (entitlement to basic element of Working Tax Credit: qualifying remunerative work) in the First condition after the words “The person” (where they first appear) insert “is employed or self-employed and”.

5. After paragraph (5) of regulation 4 insert—

“(6). In this regulation “work” shall be construed as a reference to any work that the person undertakes whether as a person who is employed or self-employed or both.”.

Mark Lancaster
David Evennett

9th March 2015

Two of the Lords Commissioners for Her Majesty’s Treasury

(a) 2002 c. 21.

(b) S.I. 2002/2005; relevant amending instruments are S.I. 2003/701, S.I. 2003/2815, S.I. 2004/762, S.I. 2007/824, S.I. 2009/697, S.I. 2010/2914, S.I.2012/848 and S.I. 2013/1736.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under provisions of the Tax Credits Act 2002 (c. 21) in order to make amendments to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I. 2002/2005) (“the Working Tax Credit Regulations”) with effect from 6th April 2015.

Regulation 3 substitutes a new definition of self-employed into regulation 2 of the Working Tax Credit Regulations so that for the purposes of those Regulations self-employed means carrying on a trade, profession or vocation on a commercial basis and with a view to the realisation of profits either on one’s own account or as a member of a business partnership and the trade, profession or vocation is organised and regular.

Regulation 4 amends the “First condition” in regulation 4(1) of the Working Tax Credit Regulations which needs to be satisfied for a person to be in qualifying remunerative work for working tax credit purposes. The amendment clarifies that the person must be employed or self-employed (as defined in regulation 2).

Regulation 5 adds a new paragraph (6) into regulation 4 of the Working Tax Credit Regulations so as to ensure that references in that regulation to “work” and “working” are to be construed as references to any work undertaken as a person who is employed or self-employed.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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