

Draft Regulations laid before Parliament under section 28(5) of the Child Trust Funds Act 2004, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2005 No.

CHILD TRUST FUNDS

The Child Trust Funds (Amendment) Regulations 2005

Made - - - - 2005
Coming into force - - 6th April 2005

A draft of this instrument has been laid before Parliament in accordance with section 28(5) of the Child Trust Funds Act 2004⁽¹⁾ and approved by a resolution of each House of Parliament.

Accordingly, the Treasury, in exercise of the powers conferred upon them by sections 10 and 28(1) to (4) of the Child Trust Funds Act 2004, make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Child Trust Funds (Amendment) Regulations 2005 and shall come into force on 6th April 2005.

Amendments to the Child Trust Funds Regulations 2004

2. The Child Trust Funds Regulations 2004⁽²⁾ are amended as follows.

3. In regulation 7⁽³⁾ (Government contributions) add at the end—

“(10) A further contribution under section 10 of the Act of £250 is due for any child where—

- (a) the commencement date (for child benefit: see paragraph (8)) in relation to that child is after 5th April 2005, and
- (b) income support or income-based jobseeker’s allowance was paid for that commencement date to a person whose applicable amount included an amount in respect of the child.

(11) On receipt of the further contribution from the Inland Revenue the account provider must credit the account held by the child with the amount of the payment.”.

4. In regulation 22(2) (recoupment of Inland Revenue contributions to void accounts)—

(1) 2004 c. 6.
(2) S.I. 2004/1450; relevantly amended by S.I. 2004/2676.
(3) Regulation 7(9) was added by regulation 5 of S.I. 2004/2676.

- (a) after sub-paragraph (b) insert—
 - “or
 - (c) the requirements of regulation 7(10) were satisfied in relation to a child, but it has subsequently been determined that payment of the relevant benefit mentioned in that provision should not have been made, or that the applicable amount should not have included an amount in respect of that child.”;
 - (b) in the words after sub-paragraph (c) (as so inserted), after “supplementary contribution” insert “, or further contribution, as the case may be.”.
5. In regulation 30(6) (fortnightly claim and financial returns) omit “and” which follows sub-paragraph (a) and at the end of the paragraph add—
- “; and
 - (c) where the Inland Revenue have informed the account provider that paragraph (10) of regulation 7 applies to the named child, a claim for the further contribution due to the account in accordance with that paragraph.”.

2005

Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Child Trust Funds Regulations 2004 (S.I.2004/1450: “the main Regulations”) which provide for the setting up of Child Trust Fund accounts. The main effect of these Regulations is to provide for a further government contribution, under section 10 of the Child Trust Funds Act 2004, for children in families receiving income support or jobseeker’s allowance who will not move from those benefits to Child Tax Credit until after 5th April 2005.

Regulation 1 provides for citation and commencement, and regulation 2 for amendment of the main Regulations.

Regulation 3 provides for the further government contribution of £250.

Regulations 4 and 5 make consequential amendments to the provisions in the main Regulations dealing with recoupment of contributions which should not have been paid, and claims by account providers to the Inland Revenue for contributions due to accounts which they manage.

A full Regulatory Impact Assessment was prepared and issued on the introduction to Parliament of the Child Trust Funds Bill (passed as the 2004 Act) in November 2003.