

Draft Regulations laid before Parliament under section 66(1) and (2)(a) of the Tax Credits Act 2002, sections 150(2) and 190(1) of the Social Security Administration Act 1992 and section 166(10A) of the Social Security Administration (Northern Ireland) Act 1992 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2021 No.

SOCIAL SECURITY TAX CREDITS

The Tax Credits, Child Benefit and Guardian's Allowance Up-rating Regulations 2021

*Made - - - - - ***
Coming into force in accordance with regulation 1(2)
and (3)*

Following a review under section 41(1) of the Tax Credits Act 2002⁽¹⁾ in the tax year 2020-21 of the amounts specified in section 41(2) of that Act, the Treasury have determined that Regulations should be made prescribing increases in those amounts.

Following a review of the sums specified in section 150(1)(a)(i) and 150(1)(i) of the Social Security Administration Act 1992⁽²⁾ in the tax year 2020-2021, the Treasury have determined that the general level of prices in Great Britain is greater at the end of the period under review than it was at the beginning. These Regulations make provision under section 150 of the Social Security Administration Act 1992 and make corresponding provision for Northern Ireland in accordance with section 132(1) of the Social Security Administration (Northern Ireland) Act 1992⁽³⁾.

A draft of these Regulations was laid before Parliament in accordance with section 66(1) and (2)(a) of the Tax Credits Act 2002, sections 150(2) and 190(1) of the Social Security Administration Act 1992, and section 166(10A)⁽⁴⁾ of the Social Security Administration (Northern Ireland) Act 1992 and approved by a resolution of each House of Parliament.

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- (1) [2002 c.21](#). Section 41 was repealed by Part I of Schedule 14 to the Welfare Reform Act [2012 \(c.5\)](#) as commenced by S.I. 2019/167 (C.6). However this repeal is subject to the savings provision in article 3 of that instrument under which tax credits continue to subsist for specific categories of claimant. Although the basic element of Working Tax Credit was temporarily increased by virtue of section 77(1) of the Coronavirus Act [2020 \(c.7\)](#), section 77(2) of that Act provides that the increased rate does not apply for the purpose of carrying out the annual review of Tax Credits.
- (2) [1992 c.5](#). Section 150(1)(a)(i) was substituted by section 6(2)(a) of the Pensions Act [2007 \(c.22\)](#). The sums reviewed under sections 150(1)(a)(i) and 150(1)(i) which are relevant to the making of these Regulations are the weekly rates of guardian's allowance and child benefit respectively.
- (3) [1992 c.8](#). Section 132(1) was amended by paragraph 9 of Schedule 4 to the Tax Credits Act 2002.
- (4) Subsection (10A) was inserted by [S.I. 1996/671](#) and subsequently amended by paragraph 11(3) of Schedule 4 to the Tax Credits Act 2002.

The Treasury make the following Regulations in exercise of the powers conferred by sections 7, 9, 11, 13, 65(1) and 67 of the Tax Credits Act 2002⁽⁵⁾, section 150(2), (5), (9) and (10)(a)(i) of the Social Security Administration Act 1992⁽⁶⁾, and section 132(1) of the Social Security Administration (Northern Ireland) Act 1992 and now exercisable by them⁽⁷⁾.

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- (5) Section 9 was amended by section 13 of the Welfare Reform and Work Act (c.7). Sections 7, 9, 11 and 13 were repealed by Part 1 of Schedule 14 to the Welfare Reform Act 2012 as commenced by [S.I. 2019/167 \(C.6\)](#). However this repeal is subject to the savings provision in article 3 of that instrument under which tax credits continue to subsist for certain categories of claimant. Section 67 is cited for the meaning given to the word “prescribed”, namely “prescribed by regulations”.
- (6) Section 150(10)(a)(i) was amended by paragraph 21 of Part 5 of Schedule 1 to the Pensions Act 2007.
- (7) The functions of the Secretary of State under Part 10 of the Social Security and Administration Act 1992 so far as relating to child benefit and guardian's allowance were transferred to the Treasury by section 49(3) of the Tax Credits Act 2002. The functions of the Department for Social Development (renamed as the Department for Communities by the Departments Act (Northern Ireland) [2016 \(c.5\)](#)) in respect of child benefit and guardian's allowance under section 132 of the Social Security Administration (Northern Ireland) Act 1992 were transferred to the Treasury by section 49(4) of the Tax Credits Act 2002.