
STATUTORY INSTRUMENTS

1999 No. 2487

**SOCIAL SECURITY
TAXES**

**The Tax Credits Schemes (Miscellaneous
Amendments) Regulations 1999**

<i>Made</i>	- - - -	<i>7th September 1999</i>
<i>Laid before Parliament</i>		<i>8th September 1999</i>
<i>Coming into force</i>	- -	<i>5th October 1999</i>

The Treasury, in exercise of the powers conferred by sections 123(1)(b) and (c), 128(1) to (5), 129(1) and (2B) to (8), 134(1), 135(1), 136(3) to (5) and 137 of the Social Security Contributions and Benefits Act 1992(1) and now vested in them(2), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Tax Credits Schemes (Miscellaneous Amendments) Regulations 1999 and shall come into force on 5th October 1999 immediately after section 2(1)(a) of the Tax Credits Act 1999.

(2) Regulations 3 to 25 and 26(3) and (4) shall have effect in relation to any period for which tax credit is payable to a person by virtue of section 128(3) or 129(6) of the Contributions and Benefits Act commencing on or after 5th October 1999.

Interpretation

2. In these Regulations unless the context otherwise requires—

“the Contributions and Benefits Act” has the same meaning as in regulation 2(1) of the Family Credit Regulations and the Disability Working Allowance Regulations respectively;

“the Disability Working Allowance Regulations” means the Disability Working Allowance (General) Regulations 1991(3);

“the Family Credit Regulations” means the Family Credit (General) Regulations 1987(4);

(1) 1992 c. 4.

(2) See sections 2(1)(a) and 19(1), of, and paragraph 1(b) to (g) of Schedule 2 to, the Tax Credits Act 1999 (c. 10).

(3) S.I. 1991/2887.

(4) S.I. 1987/1973.

“regulation” in regulations 3 to 13 means a regulation of the Family Credit Regulations, and in regulations 14 to 25 means a regulation of the Disability Working Allowance Regulations, and any reference in those numbered regulations to a paragraph of a Schedule, or a Schedule, is a reference to the paragraph in that Schedule, or that Schedule, of those Regulations respectively; “tax credit” means working families' tax credit or disabled person's tax credit, within the meanings of section 1(1) of the Tax Credits Act 1999.

Amendments to the Family Credit Regulations

3. In regulation 2(1)(5)–

(a) after the definition of “the Act” there shall be inserted–

““appropriate officer” means the Board or, as the case may be, an officer of the Board;”;

(b) after the definition of “the benefit Acts” there shall be inserted–

““the Board” means the Commissioners of Inland Revenue;”;

(c) for the definition of “disability working allowance” there shall be substituted–

““the Disability Working Allowance Regulations” means the Disability Working Allowance (General) Regulations 1991;

“disabled person's tax credit” means a disabled person's tax credit under section 129 of the Contributions and Benefits Act;”;

(d) after the definition of “week of claim” there shall be inserted–

““working families' tax credit” means working families' tax credit under section 128 of the Contributions and Benefits Act;”.

4. In regulation 12(6) after the word “Part” there shall be inserted the words “or Part V”.

5.—(1) Regulation 13(7) is amended as follows.

(2) In paragraph (1) sub-paragraph (c) and the word “and” after sub-paragraph (b) shall be omitted.

(3) Paragraph (1A) shall be omitted.

6. Regulation 13A(8) shall be renumbered “46A” and shall be omitted after regulation 13 and inserted after regulation 46.

7.—(1) Regulation 46(9) is amended as follows.

(2) In paragraph (1) after sub-paragraph (aa) the following sub-paragraph shall be inserted–

“(ab) in a case to which regulation 46A applies, a credit (“childcare tax credit”) calculated in accordance with the formula–

$$70\% \times C$$

where

C is the amount of any relevant childcare charges as mentioned and calculated on a weekly basis in regulation 46A, subject to a maximum in respect of the claimant's

(5) The relevant amendment to regulation 2(1) (the insertion of the definition of “the benefit Acts”) was made by S.I. 1996/1345.

(6) Substituted by S.I. 1988/660.

(7) Amended by S.I. 1991/1520, 1994/1924, 1997/2793.

(8) Inserted by S.I. 1994/1924 and amended by S.I. 1995/516, 1996/2545 and 1997/2793.

(9) Amended by S.I. 1988/660, 1993/2119, 1995/516, 1339, 1996/2545.

family of whichever of the amounts specified in paragraph (1A) applies in the claimant's case;”.

(3) After paragraph (1) there shall be inserted—

“(1A) The maximum amount to which paragraph (1)(ab) refers shall be—

- (a) where the claimant's family includes only one child in respect of whom relevant childcare charges are paid, £100.00 per week;
- (b) where the claimant's family includes more than one child in respect of whom relevant childcare charges are paid, £150.00 per week.”

8.—(1) Regulation 46A (as renumbered in accordance with regulation 6 of these Regulations) is amended as follows.

(2) For the words “child care” wherever they occur there shall be substituted the word “childcare”.

(3) In paragraph (2)—

(a) before the definition of “local authority” there shall be inserted—

““disabled child” means a child to whom paragraph (1A) of regulation 51 of the Disability Working Allowance Regulations applies;”;

(b) in the definition of “relevant childcare charges” for the references to “twelfth birthday” there shall be substituted references to “fifteenth birthday or, if the child is a disabled child, sixteenth birthday”.

9. In regulation 47(1)(**10**) for “£80.65” there shall be substituted “£90.00”.

10. In regulation 48 for “70” there shall be substituted “55”.

11. Regulation 51A(**11**) shall be omitted.

12. In paragraph 47(1) of Schedule 2(**12**) for the words “£15 of any” there shall be substituted the word “Any”.

13. In Schedule 4(**13**)—

- (a) after the words “YOUNG PERSON CREDITS” there shall be inserted the words “(EXCLUDING CHILDCARE TAX CREDIT)”;
- (b) for the figure of “£49.80” specified in Column (2) against paragraph 1 (adult) there shall be substituted the figure of “£52.30”;
- (c) for the figure of “£15.15” specified in Column (2) against paragraph 2(a) there shall be substituted the figure of “£19.85”.

Amendments to the Disability Working Allowance Regulations

14. In regulation 2(1)(**14**)—

(a) after the definition of “the Act” there shall be inserted—

““appropriate officer” means the Board or, as the case may be, an officer of the Board;”;

(b) after the definition of “the benefit Acts” there shall be inserted—

““the Board” means the Commissioners of Inland Revenue;”;

(10) Amended by S.I. 1992/2155 and the amount of £80.65 substituted by S.I. 1999/264.

(11) Inserted by S.I. 1993/315.

(12) Paragraph 47 was added by S.I. 1991/2695.

(13) Amended by S.I. 1995/1339, 1996/2545 and 1997/806 and the latest Up-rating Order is S.I. 1999/264.

(14) The relevant amendment to regulation 2(1) (the insertion of the definition of “the benefit Acts”) was made by S.I. 1996/1345.

(c) after the definition of “date of claim” there shall be inserted—
 ““disabled person’s tax credit” means a disabled person’s tax credit under section 129 of the Contributions and Benefits Act;”;

(d) after the definition of “week of claim” there shall be inserted—
 ““working families’ tax credit” means working families’ tax credit under section 128 of the Contributions and Benefits Act;”.

15. In regulation 14 after the word “Part” there shall be inserted the words “or Part VI”.

16.—(1) Regulation 15(15) is amended as follows.

(2) In paragraph (1) sub-paragraph (c) and the word “and” after sub-paragraph (b) shall be omitted.

(3) Paragraph (1A) shall be omitted.

17. Regulation 15A(16) shall be renumbered “51A” and shall be omitted after regulation 15 and inserted after regulation 51.

18.—(1) Regulation 51(17) is amended as follows.

(2) In paragraph (1)—

(a) in the words before sub-paragraph (a), for the word “allowances” there shall be substituted the word “credits”;

(b) in sub-paragraphs (a) to (d), for the word “allowance” wherever it occurs there shall be substituted the word “credit”;

(c) after sub-paragraph (a) the following sub-paragraph shall be inserted—

“(aa) in a case to which regulation 51A applies, a credit (“childcare tax credit”) calculated in accordance with the formula—

$$70\% \times C$$

where

C is the amount of any relevant childcare charges as mentioned and calculated on a weekly basis in regulation 51A, subject to a maximum in respect of the claimant’s family of whichever of the amounts specified in paragraph (1AA) applies in the claimant’s case;”.

(3) After paragraph (1) the following paragraph shall be inserted—

“(1AA) The maximum amount to which paragraph (1)(aa) refers shall be—

(a) where the claimant’s family includes only one child in respect of whom relevant childcare charges are paid, £100.00 per week;

(b) where the claimant’s family includes more than one child in respect of whom relevant childcare charges are paid, £150.00 per week.”

(4) In paragraphs (2) and (4) to (7) for references to “allowance” (not appearing in references to “disability working allowance”) there shall be substituted references to “credit”.

19.—(1) Regulation 51A (as renumbered in accordance with regulation 17 of these Regulations) is amended as follows.

(2) For the words “child care” wherever they occur they shall be substituted the word “childcare”.

(15) Amended by S.I. 1994/1924 and 1997/2793.

(16) Inserted by S.I. 1994/1924 and amended by S.I. 1995/516, 1996/2545 and 1997/2793.

(17) Amended by S.I. 1992/2155, 1993/2119, 1995/482, 516, 1339 and 1996/2545.

- (3) In paragraph (2)–
- (a) before the definition of “local authority” there shall be inserted–
““disabled child” means a child to whom paragraph (1A) of regulation 51 applies;”;
 - (b) in the definition of “relevant childcare charges” for the references to “twelfth birthday” there shall be substituted references to “fifteenth birthday or, if the child is a disabled child, sixteenth birthday.”.
20. In regulation 52(1)(18)–
- (a) in sub-paragraph (a) for “£60.50” there shall be substituted “£70.00”;
 - (b) in sub-paragraph (b) for “£80.65” there shall be substituted “£90.00”.
21. In regulation 53 for “70” there shall be substituted “55”.
22. Regulation 56A(19) shall be omitted.
23. In paragraph 22 of Schedule 1 for “56” there shall be substituted “182”.
24. In Schedule 3–
- (a) in paragraph 13(1) “£15 of” shall be omitted;
 - (b) after paragraph 58 the following paragraph shall be added–
“59. Any New Deal 50 Plus Employment Credit payable pursuant to arrangements made under section 2(1) of the Employment and Training Act 1973.”
25. In Schedule 5(20)–
- (a) after the words “DISABLED PERSON'S TAX CREDIT”(21) there shall be inserted the words “(EXCLUDING CHILDCARE TAX CREDIT)”;
 - (b) for the figure of “£51.80” specified in Column (2) against paragraph 1 (single claimant) there shall be substituted the figure of “£54.30”;
 - (c) for the figure of “£81.05” specified in Column (2) against paragraph 2 there shall be substituted the figure of “£83.55”;
 - (d) for the figure of “£15.15” specified in Column (2) against paragraph 3(a) there shall be substituted the figure “£19.85”.

Amendments consequential on the renaming of family credit as “working families' tax credit” and of disability working allowance as “disabled person’s tax credit”

- 26.—(1) In the provisions mentioned in Schedule 1 for the references to “family credit” wherever they occur there shall be substituted references to “working families' tax credit”.
- (2) In the provisions mentioned in Schedule 2 for references to “disability working allowance” wherever they occur there shall be substituted references to “disabled person’s tax credit”.
- (3) In the provisions mentioned in paragraph (4) for references to “the Secretary of State” there shall be substituted references to “the Board”.
- (4) The provisions to which paragraph (3) refers are–
- (a) regulation 14(6)(22) of the Family Credit Regulations; and

(18) Amended by S.I. 1992/2155 and the amounts substituted by the latest Up-rating Order S.I. 1999/264.

(19) Inserted by S.I. 1993/315.

(20) Amended by S.I. 1995/482, 1339, 1996/2545, 1997/806 and the latest Up-rating Order is S.I. 1999/264.

(21) Substituted by regulation 26 of these Regulations.

(22) Amended by S.I. 1996/3137.

(b) regulation 16(8)(**22**) of the Disability Working Allowance Regulations.

(5) In the provisions mentioned in paragraph (6) for references to “adjudication officer” there shall be substituted references to “appropriate officer”.

(6) The provisions to which paragraph (5) refers are—

(a) regulations 14(2)(a)(ii) and (aa)(ii), 14(2A), 19(3), 22(7) and 26(2B) and (4) of the Family Credit Regulations;

(b) regulations 4(b), 21(3), 25(9), and 29(2B) and (4) of, and paragraph 24 of Schedule 1 to, the Disability Working Allowance Regulations.

Amendments consequential on provisions for decisions and appeal relating to social security benefits contained in the Social Security Act 1998(23)

27.—(1) In the provisions mentioned in paragraph (2) for the words from “reviewed” to the end there shall be substituted the word “superseded”.

(2) The provisions to which paragraph (1) refers are—

(a) regulation 51(1) and (2)(**24**) of the Family Credit Regulations;

(b) regulation 56(1) and (2)(**24**) of the Disability Working Allowance Regulations.

(3) In regulation 49A(1) of the Family Credit Regulations for the word “reviewed” there shall be substituted the word “superseded”.

Jim Dowd

Bob Ainsworth

Two of the Lords Commissioners of Her Majesty’s Treasury

7th September 1999

(22) Amended by S.I. 1996/3137.

(23) **1998 c. 14.**

(24) Substituted by S.I. 1994/2139 and amended by S.I. 1996/1944.

(24) Substituted by S.I. 1994/2139 and amended by S.I. 1996/1944.

SCHEDULE 1

Regulation 26(1)

PROVISIONS IN WHICH “FAMILY CREDIT” IS TO BE
AMENDED TO “WORKING FAMILIES' TAX CREDIT”

- (1) in the Family Credit Regulations—
- (i) the definitions of “claim”, “claimant” and “date of claim” in regulation 2(1);
 - (ii) regulation 2A;
 - (iii) regulation 3(2);
 - (iv) regulation 4(1);
 - (v) regulation 4A;
 - (vi) regulation 6(1);
 - (vii) regulation 13(1);
 - (viii) regulation 14(2A);
 - (ix) regulation 26;
 - (x) regulation 28;
 - (xi) regulation 29;
 - (xii) regulation 34(1);
 - (xiii) regulation 34A(2), (3)(a) to (d), (4), (4)(a), (5), (6)(b) and (8)(a) to (c);
 - (xiv) regulation 46(1) and the heading to that regulation;
 - (xv) regulation 46A (as renumbered in accordance with regulation 6 of these Regulations);
 - (xvi) regulation 47(1);
 - (xvii) regulation 48;
 - (xviii) regulation 49;
 - (xix) regulation 49A(1), (4)(a) and (b);
 - (xx) regulation 50;
 - (xxi) regulation 51;
 - (xxii) regulation 52;
 - (xxiii) paragraph 11 of Schedule 3;
 - (xxiv) Schedule 4.
- (2) in the Disability Working Allowance Regulations—
- (i) regulation 5(2);
 - (ii) regulation 38(8)(a);
 - (iii) regulation 55;
 - (iv) regulation 56(2);
 - (v) regulation 57;
 - (vi) paragraph 46 of Schedule 3.

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SCHEDULE 2

Regulation 26(2)

PROVISIONS IN WHICH “DISABILITY WORKING ALLOWANCE”
IS TO BE AMENDED TO “DISABLED PERSON'S TAX CREDIT”

- (1) in the Family Credit Regulations—
 - (i) regulation 3(2);
 - (ii) regulation 50;
 - (iii) regulation 51(2);
 - (iv) regulation 52;
 - (v) paragraph 4 of Schedule 2.
- (2) in the Disability Working Allowance Regulations—
 - (i) the definitions of “claim”, “claimant” and “date of claim” in regulation 2(1);
 - (ii) regulation 2A;
 - (iii) regulation 5(2);
 - (iv) regulation 6(1);
 - (v) regulation 6A;
 - (vi) regulation 7A;
 - (vii) regulation 8(1);
 - (viii) regulation 15(1);
 - (ix) regulation 29(1);
 - (x) regulation 31;
 - (xi) regulation 32(1);
 - (xii) regulation 37(1);
 - (xiii) regulation 38(2)(a) and (b), (3)(a) to (d), (4), (5), (6)(b) and (8)(a) to (c);
 - (xiv) regulation 51(1) and (7) and the heading to that regulation;
 - (xv) regulation 51A (as renumbered in accordance with regulation 17 of these Regulations);
 - (xvi) regulation 52(1);
 - (xvii) regulation 53;
 - (xviii) regulation 54(1) and (2);
 - (xix) regulation 55;
 - (xx) regulation 56(1) and (2);
 - (xxi) regulation 57(a), (b) and (c);
 - (xxii) paragraph 22 of Schedule 1;
 - (xxiii) Schedule 5.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 5th October 1999, amend the Family Credit (General) Regulations 1987 (S.I.1987/1973) (“the Family Credit Regulations”), and the Disability Working Allowance (General) Regulations 1991 (S.I. 1991/2887) (“the Disability Working Allowance Regulations”). The principal effects of the amendments are to provide that relevant childcare charges are an independent element in the calculation of maximum working families' tax credit, and maximum disabled person's tax credit (rather than a deduction from a claimant's income on a weekly basis), and to increase certain financial limits for the purposes of working families' tax credit and disabled person's tax credit.

Regulation 1 provides for citation, commencement and effect.

Regulation 2 provides for interpretation.

Regulation 3 inserts new definitions, and substitutes a new definition of “disabled person's tax credit” for the former definition of “disability working allowance”, in the Family Credit Regulations.

Regulation 4 provides for an extension of the rule for the rounding up of fractions in regulation 12 of the Family Credit Regulations.

Regulations 5 to 7(2) provide that relevant childcare charges cease to be a deduction from a claimant's income on a weekly basis (which, in so far as it exceeds the amount specified in regulation 47 of the Family Credit Regulations, is offset, on a percentage basis, against maximum working families' tax credit), and become an independent element (“childcare tax credit”) in the determination of maximum working families' tax credit.

Regulation 7(3) provides that the maximum relevant childcare charges are increased—

- (a) from £60 to £100 per week, where there is one child in respect of whom relevant childcare charges are paid; and
- (b) from £100 to £150 per week, where there is more than one such child.

Regulation 8 increases the age limits for relevant childcare charges, from 12 years to 15 years (or 16 years in the case of a disabled child).

Regulation 9 provides that the “applicable amount” (the highest amount at which a claimant's income on a weekly basis does not reduce the maximum working families' tax credit) is increased from £80.65 to £90.00.

Regulation 10 provides that the percentage of a claimant's income on a weekly basis, in excess of the “applicable amount” in regulation 47(1) of the Family Credit Regulations, which reduces the maximum working families' tax credit, is reduced from 70% to 55%.

Regulation 11 revokes regulation 51A of the Family Credit Regulations.

Regulation 12 increases the weekly maintenance payments, which are disregarded for the purposes of calculating a claimant's income (other than earnings) from £15 to the whole amount.

Regulation 13 makes a small consequential drafting amendment.

Regulations 14 to 19, 21, 22, 24 and 25 make equivalent amendments for disabled person's tax credit, to those made for working families' tax credit by regulations 3 to 8, 10, 11, 12 and 13, respectively.

Regulation 20 provides that the “applicable amount” (the highest amount at which a claimant's income on a weekly basis does not reduce the maximum disabled person's tax credit) is increased

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to £70 for a claimant who is single, and £90 for a member of a married or unmarried couple, or a lone parent.

Regulation 23 makes an amendment consequential to section 14(3) of the Tax Credits Act 1999.

Regulation 26 amends references in the Family Credit Regulations and the Disability Working Allowance Regulations, from “family credit” to “working families' tax credit”, and from “disability working allowance” to “disabled person’s tax credit”, with other minor drafting changes.

Regulation 27 amends references in the Family Credit Regulations and the Disability Working Allowance Regulations to take account of provisions for decisions and appeals relating to social security benefits contained in the Social Security Act 1998 (c. 14).