

2001 No. 3085

**SOCIAL SECURITY
TAXES**

**The Tax Credits (Miscellaneous Amendments No. 8)
Regulations 2001**

Made - - - - - 11th September 2001
Laid before Parliament - 11th September 2001
Coming into force - - 9th October 2001

The Treasury, in exercise of the powers conferred upon them by sections 136(5)(b), 137(1) and 175(1) of the Social Security Contributions and Benefits Act 1992^(a), and section 2(1)(a) and (4) of, and paragraphs 1(g) and 20(a) of Schedule 2 to, the Tax Credits Act 1999^(b), hereby make the following Regulations:

Citation, commencement and effect

1. These Regulations may be cited as the Tax Credits (Miscellaneous Amendments No. 8) Regulations 2001, shall come into force on 9th October 2001 and shall have effect in relation to award periods commencing on or after that date.

Interpretation

2. In these Regulations—
- “award periods” means award periods of disabled person’s tax credit or, as the case may be, working families’ tax credit;
 - “the Disability Working Allowance Regulations” means the Disability Working Allowance (General) Regulations 1991^(c);
 - “the Family Credit Regulations” means the Family Credit (General) Regulations 1987^(d).

Amendments to the Disability Working Allowance Regulations and the Family Credit Regulations

3. Amend Schedule 4 to the Disability Working Allowance Regulations (“Schedule 4”) in accordance with regulation 4 and Schedule 3 to the Family Credit Regulations (“Schedule 3”) in accordance with regulation 5.

(a) 1992 c.4. Section 137(1) is cited because of the meaning it ascribes to the word “prescribed”.
(b) 1999 c.10.
(c) S.I. 1991/2887.
(d) S.I. 1987/1973.

4. After paragraph 1 of Schedule 4 insert the following paragraph—

“1A.—(1) The dwelling, together with any garden, garage and outbuildings, which the claimant intends in due course to occupy as his home but which he currently does not so occupy solely because he resides in living accommodation which is for him job-related.

(2) Notwithstanding regulation 12, only one dwelling shall be disregarded under this paragraph.

(3) In sub-paragraph (1) the reference to a dwelling includes any premises which it is impracticable or unreasonable to sell separately from the dwelling, in particular, in Scotland, any croft land on which the dwelling is situated.

(4) For the purposes of sub-paragraph (1) living accommodation is job-related for a claimant if it meets either of the following conditions:

Condition 1

The living accommodation is provided for the claimant by reason of his employment, or for his partner by reason of her employment, in any of the following cases—

- (i) where it is necessary for the proper performance of the duties of the employment that the employee should reside in that accommodation;
- (ii) where the accommodation is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide living accommodation for employees;
- (iii) where, there being a special threat to the employee’s security, special security arrangements are in force and the employee resides in the accommodation as part of those arrangements.

Condition 2

The living accommodation is provided for the claimant or his partner under a contract entered into with a person with whom the claimant or his partner is not connected and requiring him or his partner—

- (a) to carry on a particular trade, profession, business or vocation;
- (b) to carry on that trade, profession, business or vocation on premises or other land provided by another person (whether under a tenancy or otherwise); and
- (c) to live either on those premises or on other premises provided by that other person.

(5) For the purposes of Condition 2 the claimant or his partner is connected with another person (“A”) in any of the following circumstances—

- (a) A is a relative, or the partner of a relative, of the claimant or his partner;
- (b) A is a person with whom the claimant or his partner is carrying on a trade, profession or business in partnership, or the partner or a relative of a person with whom the claimant or his partner is carrying on a trade, profession or business in partnership.

(6) In sub-paragraph (5) “relative” means brother, sister, ancestor or lineal descendant.”.

5. After paragraph 1 of Schedule 3 insert the following paragraph—

“1A.—(1) The dwelling, together with any garden, garage and outbuildings, which the claimant intends in due course to occupy as his home but which he currently does not so occupy solely because he resides in living accommodation which is for him job-related.

(2) Notwithstanding regulation 10, only one dwelling shall be disregarded under this paragraph.

(3) In sub-paragraph (1) the reference to a dwelling includes any premises which it is impracticable or unreasonable to sell separately from the dwelling, in particular, in Scotland, any croft land on which the dwelling is situated.

(4) For the purposes of sub-paragraph (1) living accommodation is job-related for a claimant if it meets either of the following conditions:

Condition 1

The living accommodation is provided for the claimant by reason of his employment, or for his partner by reason of her employment, in any of the following cases—

- (i) where it is necessary for the proper performance of the duties of the employment that the employee should reside in that accommodation;
- (ii) where the accommodation is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide living accommodation for employees;
- (iii) where, there begin a special threat to the employee's security, special security arrangements are in force and the employee resides in the accommodation as part of those arrangements.

Condition 2

The living accommodation is provided for the claimant or his partner under a contract entered into with a person with whom the claimant or his partner is not connected and requiring him or his partner—

- (a) to carry on a particular trade, profession, business or vocation;
- (b) to carry on that trade, profession, business or vocation on premises or other land provided by another person (whether under a tenancy or otherwise); and
- (c) to live either on those premises or on other premises provided by that other person.

(5) For the purposes of Condition 2 the claimant or his partner is connected with another person ("A") in any of the following circumstances—

- (a) A is a relative, or the partner of a relative, of the claimant or his partner;
- (b) A is a person with whom the claimant or his partner is carrying on a trade, profession or business in partnership, or the partner or a relative of a person with whom the claimant or his partner is carrying on a trade, profession or business in partnership.

(6) In sub-paragraph (5) "relative" means brother, sister, ancestor or lineal descendant."

Tony McNulty
Graham Stringer

11th September 2001

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Family Credit (General) Regulations 1987 (S.I. 1987/1973) (“the Family Credit Regulations”) and the Disability Working Allowance Regulations 1991 (S.I. 1991/2887) (“the Disability Working Allowance Regulations”).

The Regulations amend Schedule 4 to the Disability Working Allowance Regulations and Schedule 3 to the Family Credit Regulations so as to add to the list of capital to be disregarded in calculating a claimant’s capital for the purposes of working families’ tax credit and disabled person’s tax credit a dwelling which the claimant intends in due course to occupy as his home but which he currently does not occupy due to living in job-related accommodation.

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