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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I. 2002/2005); the Child Tax Credit Regulations 2002 (S.I. 2002/2007); the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002 (S.I. 2002/2008); the Child Benefit (Rates) Regulations 2006 (S.I. 2006/965); the Social Security Contributions and Benefits Act 1992 (c. 4); and the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7).

Regulation 2 increases the maximum rate of different elements of working tax credit. It increases the basic element from £1,995 to £2,005, the disability element from £3,220 to £3,240, the 30 hour element from £825 to £830, the second adult element and the lone parent element from £2,045 to £2,060, and the severe disability element from £1,390 to £1,400.

Regulation 3 increases the maximum rate of different elements of child tax credit. It increases the individual element for a child or qualifying young person from £2,830 to £2,845, the disability element from £3,415 to £3,435 for a disabled child or qualifying young person and from £4,800 to £4,825 for a severely disabled child or qualifying young person.

Regulation 4 increases the income threshold (the level of household income below which the full award is granted) from £6,530 to £6,565 for working tax credit and from £16,385 to £16,480 for child tax credit. It also amends the formulae to calculate the rates of working tax credit and child tax credit to account for the increase in the income thresholds.

Regulation 5 increases the weekly rate of child benefit from £21.05 to £21.15 (enhanced rate) and from £13.95 to £14.00 (other rate).

Regulations 6 and 7 increase the weekly rate of guardian's allowance from £17.90 to £18.00.

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