## **EXPLANATORY NOTES**

## CHILDCARE PAYMENTS ACT 2014

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**BACKGROUND AND SUMMARY** 

HOW THE SCHEME WILL OPERATE

OVERVIEW OF THE STRUCTURE OF THE ACT

TERRITORIAL EXTENT AND APPLICATION

## **COMMENTARY ON SECTIONS**

## **Introductory**

Section 1: Entitlement to receive money towards costs of childcare

Section 2: Qualifying childcare

# **Eligibility**

Section 3: Eligible persons

Section 4: Declarations of eligibility

Section 5: Entitlement periods

## **Conditions of Eligibility**

Section 6: The person must be 16 or over

Section 7: The person must be responsible for the child

Section 8: The person must be in the UK

Section 9: The person and his or her partner must be in qualifying paid work

Section 10: The income of the person and his or her partner must not exceed limit

Section 11: Neither the person nor his or her partner may be claiming universal credit

Section 12: The person and his or her partner must not be in a relevant childcare scheme

Section 13: Neither the person nor his or her partner may be receiving other childcare support

## **Qualifying Children**

Section 14: Qualifying child

#### **Childcare Accounts**

- Section 15: Childcare accounts
- Section 16: Account providers
- Section 17: Opening a childcare account
- Section 18: Cases where there is more than one eligible person
- Section 19: Payments into childcare accounts
- Section 20: Payments that may be made from childcare accounts
- Section 21: Calculating the top-up element of payments made from childcare accounts
- Section 22: Withdrawals
- Section 23: Refunds of payments from childcare accounts
- Section 24: Imposing restrictions on childcare accounts
- Section 25: Closure of childcare accounts

### **Information**

- Section 26: Power to obtain information or documents
- Section 27: Information sharing between HMRC and others
- Section 28: Wrongful disclosure of information received by others from HMRC
- Section 29: Supply of information to HMRC by childminder agencies

## Special Rules Affecting Tax Credit and Universal Credit Claimants

- Section 30: Termination of tax credit awards
- Section 31: Power to provide for automatic termination of universal credit
- Section 32: Power to disqualify tax credit claimants from obtaining top-up payments
- Section 33: Power to disqualify universal credit claimants from obtaining top-up payments
- Section 34: Disqualification notices

## **Recovery of Top-Up Payments**

- Section 35: Recovery of top-up payments where tax credits award made on a review
- Section 36: Recovery of top-up payments where tax credit award made on appeal
- Section 37: Recovery of top-up payments where universal credit award made on revision
- Section 38: Recovery of top-up payments where universal credit award made on appeal
- Section 39: Recovery of top-up payments where person fails to give childcare account notice
- Section 40: Recovery of top-up payments in other cases
- Section 41: Assessment and enforcement of recoverable amounts

#### **Penalties**

- Section 42: Penalties for inaccurate declarations of eligibility
- Section 43: Penalties for failure to comply with information notice
- Section 44: Penalties for providing inaccurate information or documents
- Section 45: Penalties for making prohibited payments
- Section 46: Penalties for dishonestly obtaining top-up payments, etc
- Section 47: Assessment and enforcement of penalties
- Section 48: Double jeopardy

## **Other Enforcement Powers**

- Section 49: Disqualification orders
- Section 50: Power to exclude childcare from being qualifying childcare
- Section 51: Power to charge interest
- Section 52: Deduction of recoverable amounts from tax credit awards
- Section 53: Recovery of debts from childcare accounts
- Section 54: Set-off
- Section 55: Order in which payments are taken to discharge debts

## **Reviews and Appeals**

- Section 56: Appealable decisions
- Section 57: Review of decisions
- Section 58: Extension of time limit for applications for review

## These notes refer to the Childcare Payments Act 2014 (c.28)

Section 59: Exercise of right of appeal

Section 60: Powers of tribunal

Section 61: Cases where there is more than one eligible person

## **Compensatory Payments**

Section 62: Compensatory payments

## Withdrawal of Existing Tax Exemptions

Section 63: Restrictions on claiming tax exemption for childcare vouchers and section 64: Restrictions on claiming tax exemption for employer-contracted childcare

## General

Section 65: Functions of Commissioners for Revenue and Customs

Section 66: Tax treatment of top-up payments

Section 67: Set-off against tax liabilities etc

Section 68: Northern Ireland

# **Final Provisions**

Section 69: Regulations: general

Section 70: Regulations: Parliamentary control

Section 71: Interpretation

Section 72: Power to make consequential amendments

Section 73: Financial provisions

Section 74: Extent

Section 75: Commencement and short title

## **COMMENCEMENT**

## HANSARD REFERENCES