



Childcare Payments Act 2014

2014 CHAPTER 28

Other enforcement powers

53 Recovery of debts from childcare accounts

- (1) This section applies where—
- an amount has been assessed under section 41 or 47 as payable to HMRC under this Act by a person who holds a childcare account in respect of a child,
 - the assessment was made as a result of something done, or omitted to be done, in connection with that account or any other childcare account which the person has held in respect of the child, and
 - some or all of the amount assessed (“the relevant debt”) has not been paid to HMRC by the time specified in section 41(5) or 47(4) (as the case may be).
- (2) HMRC may direct the account provider to pay a specified amount from the account to HMRC in order to discharge the whole or part of the relevant debt.

“Specified” means specified in the direction.

- (3) The account provider must comply with a direction given under this section.
- (4) Subsections (5) to (8) apply in a case where the relevant debt consists of an amount of recoverable top-up payments.

In this section an “amount of recoverable top-up payments” means an amount which a person is liable to pay HMRC under any of sections 35 to 39 or section 40(1) (recovery of top-up payments).

- (5) HMRC may make a direction under this section only if the childcare account is not active at the time of the direction (see section 17(3)).
- (6) Where the account provider makes a payment to HMRC in accordance with the direction, the account provider must make a payment from the childcare account to the account-holder of the appropriate qualifying amount.

Changes to legislation: There are currently no known outstanding effects for the Childcare Payments Act 2014, Section 53. (See end of Document for details)

- (7) “The appropriate qualifying amount”, in relation to a direction under this section, is the amount which, if paid into a childcare account, would entitle the account-holder to a top-up payment equal to—
- (a) the amount specified in the direction, or
 - (b) if that amount is greater than the top-up element of the funds held in the account, the top-up element of those funds.

(For provision about calculating the top-up element of funds held in an account, see section 21.)

- (8) If the amount specified in the direction is greater than the top-up element of the funds, the difference is to be deducted from the appropriate qualifying amount by the account provider and paid to HMRC in accordance with the direction.
- (9) Subsections (10) to (13) apply in a case where the relevant debt consists of any amount other than an amount of recoverable top-up payments.
- (10) HMRC may not specify in the direction an amount which is greater than the relevant percentage of the funds held in the account.
- (11) The “relevant percentage” is the percentage given by—

$$\frac{100}{100 + R} \times 100$$

where R is the percentage for the time being specified in section 1(4).

- (12) Where the account provider makes a payment to HMRC in accordance with the direction, the account provider must make a payment from the childcare account to HMRC of the corresponding top-up amount.
- (13) “The corresponding top-up amount”, in relation to a payment made in accordance with a direction under this section, is R% of the amount of the payment, where R is the percentage for the time being specified in section 1(4).
- (14) If a direction is made under this section both in respect of an amount of recoverable top-up payments and in respect of any other amount—
- (a) any amount payable to HMRC in accordance with the direction made in respect of that other amount is to be set off against the amount payable to the account-holder by virtue of subsection (6), and
 - (b) any amount payable to HMRC by virtue of subsection (12) is to be set off against the amount payable to HMRC in accordance with the direction made in respect of the amount of recoverable top-up payments.
- (15) If the Commissioners provide childcare accounts, a direction under this section may not be made in respect of any fees charged in connection with a childcare account in accordance with section 15(8).
- (16) This section does not affect any other power of HMRC to recover amounts that are due and payable to HMRC.

Changes to legislation: *There are currently no known outstanding effects for the Childcare Payments Act 2014, Section 53. (See end of Document for details)*

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Commencement Information

- I1** [S. 53](#) in force at 14.11.2016 for the purposes of the trial by [S.I. 2016/1083](#), **reg. 2(g)**
- I2** [S. 53](#) in force at 21.4.2017 in so far as not already in force by [S.I. 2017/578](#), **reg. 3(e)**

Changes to legislation:

There are currently no known outstanding effects for the Childcare Payments Act 2014, Section 53.