
STATUTORY INSTRUMENTS

2009 No. 1829

TAX CREDITS

The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2009

<i>Made</i>	- - - -	<i>8th July 2009</i>
<i>Laid before Parliament</i>		<i>9th July 2009</i>
<i>Coming into force</i>	- -	<i>31st July 2009</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 10(2), 65(1) and (7) of the Tax Credits Act 2002⁽¹⁾.

Citation and commencement

1. These Regulations may be cited as the Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2009 and shall come into force on 31st July 2009.

Amendment of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002

2. The Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽²⁾ are amended as follows.

3. In regulation 5(2)⁽³⁾ (time off in connection with childbirth) for “conditions in regulation 4(1)” substitute “conditions of entitlement in this Part”.

4. In regulation 5A(2)⁽⁴⁾ (time off in connection with childbirth and placement for adoption) for “satisfying the requirements of regulation 4(1)” substitute “being engaged in qualifying remunerative work for the purposes of the conditions of entitlement in this Part”.

5. In regulation 6(2)⁽⁵⁾ (periods of illness, incapacity for work or limited capability for work) for “conditions in regulation 4(1)” substitute “conditions of entitlement in this Part”.

6. In regulation 7(1) and 7(2) (term time and other seasonal workers) for “conditions in regulation 4(1)” substitute “conditions of entitlement in this Part”.

(1) 2002 c. 21.

(2) S.I. 2002/2005; relevant amending instruments are S.I. 2003/ 701, S.I. 2004/762 and S.I. 2007/ 968.

(3) Regulation 5 was substituted by regulation 5 of S.I. 2003/701.

(4) Regulation 5A was inserted by regulation 7 of S.I. 2004/762.

(5) Regulation 6 was substituted by regulation 6 of S.I. 2003/701.

7. In regulations 7A(2)(6) (strike periods), 7B(2) (persons suspended from work) and 7C(2) (pay in lieu of notice) for “conditions in regulation 4(1)” substitute “conditions of entitlement in this Part”.

8. For regulation 7D(7), substitute—

“Ceasing to undertake work or working for less than 16 or 30 hours per week

7D.—(1) This regulation applies for the four-week period immediately after—

- (a) a person, not being a member of a couple, who is engaged in qualifying remunerative work for not less than 16 hours per week, ceases to work or starts to work less than 16 hours per week,
- (b) a person, being a member of a couple only one of whom is engaged in qualifying remunerative work for not less than 16 hours per week, ceases to work or starts to work less than 16 hours per week,
- (c) both members of a couple, each of whom is engaged in qualifying remunerative work for not less than 16 hours per week, cease to work or start to work less than 16 hours per week,
- (d) a person, being a member of a couple who is entitled to the childcare element of working tax credit each of whom is engaged in qualifying remunerative work for not less than 16 hours per week, ceases to work or start to work less than 16 hours per week, or
- (e) a person who satisfies paragraph (c) of the second condition in regulation 4(1) and who is engaged in qualifying remunerative work for not less than 30 hours per week, ceases to work or starts to work less than 30 hours per week.

(2) For the purposes of the conditions of entitlement in this Part, the person is treated as being engaged in qualifying remunerative work during that period.”

9. In regulation 8 (gaps between jobs) for “conditions in regulation 4(1)” substitute “conditions of entitlement in this Part”.

*Dave Watts
Frank Roy*

Two of the Lords Commissioners of Her
Majesty’s Treasury

8th July 2009

(6) Regulations 7A, 7B and 7C were inserted by regulation 7 of [S.I. 2003/701](#).

(7) Regulation 7D was inserted by regulation 2 of [S.I. 2007/968](#).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, made under powers conferred by the Tax Credits Act 2002, amend the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (“the principal Regulations”).

Regulation 2 provides for the principal Regulations to be amended.

Regulation 3 to 7, and 9 amend regulations 5, 5A, 6, 7, 7A, 7B, 7C and 8 of the principal Regulations. These regulations make provision as to entitlement to working tax credit when a person has time off in connection with maternity, paternity and adoption, has periods of illness or incapacity for work, works seasonally, is on strike, is suspended from work or receives pay in lieu of notice. The amendment clarifies that where a person is treated as being in qualifying remunerative work during these periods, so as to be entitled to working tax credit, entitlement will extend to all elements of working tax credit to which the individual or couple claiming were formerly entitled (including the childcare element where the other conditions for entitlement to that element are met).

Regulation 8 substitutes regulation 7D of the principal Regulations, which makes provision for a person who ceases to work or reduces their hours of work and thus loses entitlement to working tax credit, to continue to receive working tax credit for a four week period. Under the former regulation 7D a person was entitled to the 4 week continuation only on ceasing to work or reducing their working hours to less than 16 hours per week. The substituted regulation 7D clarifies the position and provides that where a person ceases to work or reduces their working hours below 16 hours per week, and loses entitlement to the basic element of working tax credit, the 4 week continuation will extend to all elements of working tax credit which the individual or couple lose as a result (including the childcare element where the other conditions for entitlement to that element are met). Where one member of a couple, both of whom are working and are entitled to the childcare element of working tax credit, ceases to work or reduces their working hours below 16 hours per week, the 4 week continuation will apply to all elements of working tax credit which the couple lose (including the childcare element where the other conditions for entitlement to that element are met) even though there is no loss of entitlement to the basic element of working tax credit. The substituted regulation 7D also extends the former regulation to provide that a person will be entitled to the 4 week continuation extending to all elements if a reduction in working hours from not less than 30 hours per week to not less than 16 hours per week will result in the individual or couple losing entitlement to the basic element of working tax credit.

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