
STATUTORY INSTRUMENTS

2023 No. 1148

INCOME TAX

The Income Tax (Tax Treatment of Carer Support Payment and Exemption of Social Security Benefits) Regulations 2023

<i>Made</i>	- - - -	<i>26th October 2023</i>
<i>Laid before the House of Commons</i>	- - - -	<i>27th October 2023</i>
<i>Coming into force</i>	- -	<i>19th November 2023</i>

The Treasury make these Regulations in exercise of the powers conferred by section 13(1) and (2) (b), (c) and (d) of the Finance Act 2020⁽¹⁾ and section 27(1) and (4)(b) of the Finance (No. 2) Act 2023⁽²⁾.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Income Tax (Tax Treatment of Carer Support Payment and Exemption of Social Security Benefits) Regulations 2023 and come into force on 19th November 2023.

(2) In these Regulations, “ITEPA” means the Income Tax (Earnings and Pensions) Act 2003⁽³⁾.

Amendments to the Income Tax (Earnings and Pensions) Act 2003: Scottish carer support payment

2.—(1) ITEPA is amended as follows.

(2) In section 658(4)(4), after “carer’s allowance supplement,” insert “carer support payment,”.

(3) In section 660(1)(5), in Table A (taxable UK benefits), at the appropriate place insert—

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- (1) 2020 c. 14. The Parliamentary procedure for section 13 of the Finance Act 2020 and section 27 of the Finance (No. 2) Act 2023 (c. 30) is found at section 1014 of the Income Tax Act 2007 (c. 3), which applies to all powers under the “Income Tax Acts”, as defined by Schedule 1 to the Interpretation Act 1978 (c. 30).
- (2) 2023 c. 30.
- (3) 2003 c. 1.
- (4) Section 658(4) was amended by paragraph 24 of Schedule 3 to the Welfare Reform Act 2007 (c. 5) and section 12 of the Finance Act 2019 (c. 1). It was also amended by regulation 4 of S.I. 2017/338.
- (5) Section 660(1) was amended by paragraph 60 of Schedule 1 and Schedule 2 to the Work and Families Act 2006 (c. 18); paragraph 24 of Schedule 3 to the Welfare Reform Act 2007; paragraph 62 of Schedule 7 to the Children and Families Act 2014 (c. 6); paragraph 47 of Schedule 16 to the Pensions Act 2014 (c. 19); paragraph 47 of the Schedule to the Parental Bereavement (Leave and Pay) Act 2018 (c. 24); and section 12 of the Finance Act 2019. It was also amended by regulation 16 of S.I. 2013/630 and regulation 5 of S.I. 2017/338.

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“Carer support payment CA(CSP)(S)R 2023 Regulation 3”.

(4) In section 661(1)(6), after “carer’s allowance supplement,” insert—
“carer support payment,”.

(5) In Schedule 1(7), in the table in Part 1 (abbreviations of Acts and instruments), at the appropriate place insert—

“CA(CSP)(S)R 2023	The Carer’s Assistance (Carer Support Payment) (Scotland) Regulations 2023 (8)
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Amendments to the Income Tax (Earnings and Pensions) Act 2003: exemption of social security benefits

3.—(1) ITEPA is amended as follows.

(2) In section 677(1)(9), in Table B (UK social security benefits wholly exempt from tax: Table B)—

(a) in Part 1 (benefits payable under primary legislation and Northern Ireland welfare supplementary payments etc), at the appropriate place insert—

“Payments to secure the provision of food and drink, free of charge, to a person to whom a school lunch must be provided under section 53(2) of the Education (Scotland) Act 1980 (10), Article 58 of the Education and Libraries (Northern Ireland) Order 1986 (11), section 512(3) of the Education Act 1996 (12) or Article 15(2) of the Further Education (Northern Ireland) Order 1997 (13)	SW(S)A 1968	Section 12
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(6) Section 661(1) was amended by paragraph 24 of Schedule 3 to the Welfare Reform Act 2007 and section 12 of the Finance Act 2019. It was also amended by regulation 6 of S.I. 2017/338.

(7) Part 1 of Schedule 1 was amended by paragraph 616 of Schedule 1 to the Income Tax (Trading and Other Income) Act 2005 (c. 5); section 46 of the Finance Act 2008 (c. 9); paragraph 556 of Schedule 1 to the Corporation Tax Act 2009 (c. 4); section 126 of the Finance Act 2009 (c. 10); paragraph 395 of Schedule 1 to the Corporation Tax Act 2010 (c. 4); paragraph 323 of Schedule 8 to the Taxation (International and Other Provisions) Act 2010 (c. 8); paragraph 50 of Schedule 9 to the Welfare Reform Act 2012 (c. 5); section 16 of the Finance Act 2015 (c. 11); and section 12 of the Finance Act 2019. It was also amended by regulation 16 of S.I. 2017/338.

(8) S.S.I. 2023/302.

(9) Section 677(1) was amended by paragraph 9 of Schedule 17 and Part 2 of Schedule 42 to the Finance Act 2004 (c. 12); paragraph 24 of Schedule 3 to the Welfare Reform Act 2007; section 46 of the Finance Act 2008; section 138 of the Health and Social Care Act 2008 (c. 14); paragraph 49 of Schedule 9 to the Welfare Reform Act 2012; section 13 of the Finance Act 2013 (c. 29); paragraph 48 of Schedule 16 to the Pensions Act 2014; paragraph 47 of Schedule 16 to the Pensions Act (Northern Ireland) 2015 (c. 5); section 16 of the Finance Act 2015; section 12 of the Finance Act 2019; and section 12 of the Finance Act 2020. It was also amended by regulation 3 of S.I. 2014/606; regulation 15 of S.I. 2017/338; regulation 2 of S.I. 2021/1341; and regulation 2 of S.I. 2022/529.

(10) 1980 c. 44. Section 53 was substituted by section 22 of the Education (Scotland) Act 2016 (asp 8); there are other amendments but they are not relevant.

(11) S.I. 1986/594 (N.I. 3). Article 58 was amended by section 5(1) and paragraph 1(1)(a) of Schedule 3 and Schedule 4 to the Education Act (Northern Ireland) 2014 (c. 12). It was also amended by Schedules 9 and 10 to S.I. 1989/2406 (N.I. 20); Schedule 4 to S.I. 1997/1772 (N.I. 15) and Schedule 5 to S.I. 1998/1759 (N.I. 13).

(12) 1996 c. 56. Section 512(3) was substituted by section 201 of the Education Act 2002 (c. 32), which was itself amended by paragraph 11 of Schedule 2 to S.I. 2010/1158.

(13) S.I. 1997/1772 (N.I. 15).

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C(S)A 1995	Section 22
LGSA 2003	Section 20
GOWA 2006	Section 60
FPA(NI) 2009	Section 4
LGE(W)A 2021	Section 24”;

(b) in Part 2 (benefits payable under regulations), at the appropriate place insert—

“Payments made under the Best Start Foods scheme	SSA 1988	Section 13”;
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(c) in Part 2 (benefits payable under regulations), at the appropriate place insert—

“Payments made under the Healthy Start scheme	SSA 1988	Section 13”;
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(d) in Part 2 (benefits payable under regulations), at the appropriate place insert—

“Payments to secure the provision of food and drink, free of charge, to a person to whom a school lunch must be provided under Article 58 of the Education and Libraries (Northern Ireland) Order 1986 or Article 15(2) of the Further Education (Northern Ireland) Order 1997	FAA(NI) 2009	Section 2”.
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(3) In Schedule 1, in the table in Part 1 (abbreviations of Acts and instruments), at the appropriate places insert—

“SW(S)A 1968	The Social Work (Scotland) Act 1968 (14)
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“SSA 1988	The Social Security Act 1988 (15)
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“C(S)A 1995	The Children (Scotland) Act 1995 (16)
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“LGSA 2003	The Local Government in Scotland Act 2003 (17)
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(14) 1968 c. 49. Section 12 was amended by paragraph 10(5) of Schedule 9 to the National Health Service and Community Care Act 1990 (c. 19); paragraph 15(11) of Schedule 4 to the Children (Scotland) Act 1995 (c. 36); section 120(1) of the Immigration and Asylum Act 1999 (c. 33); and section 3 of the Community Care and Health (Scotland) Act 2002 (asp 5).

(15) 1988 c. 7. Section 13 was substituted by section 185 of the Health and Social Care (Community Health and Standards) Act 2003 (c. 43), and amended by section 27 of the Scotland Act 2016. Functions under section 13 in relation to Scotland are transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c. 46), as read with and amended by section 32 of the Scotland Act 2016 (c. 11).

(16) 1995 c. 36. Section 22 was amended by paragraph 50 of Schedule 3 to the Tax Credits Act 2002 (c. 21) and paragraph 14 of Schedule 3 to the Welfare Reform Act 2007. It was also amended by regulation 5 of S.S.I. 2013/137. Section 93(4)(a) makes relevant provision about the circumstances in which a child may be “in need” for the purposes of section 22.

(17) 2003 asp 1.

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“GOWA 2006	The Government of Wales Act 2006 (18)
“FAA(NI) 2009	The Financial Assistance Act (Northern Ireland) 2009 (19)
“FPA(NI) 2009	The Financial Provisions Act (Northern Ireland) 2009 (20)
“LGE(W)A 2021	The Local Government and Elections (Wales) Act 2021 (21)

(4) The amendments made by paragraph (2)(a), (b) and (d) and, so far as relating to those paragraphs, paragraph (3), have effect for the tax year 2019-20 and subsequent tax years.

(5) The amendments made by paragraph (2)(c) and, so far as relating to that paragraph, paragraph (3), have effect for the tax year 2021-22 and subsequent tax years.

Modification to the Income Tax (Earnings and Pensions) Act 2003: exemption of social security benefit

4.—(1) Chapter 5 of Part 10 of ITEPA (social security income) is modified as follows.

(2) Section 677(1) has effect as if, in Table B (UK social security benefits wholly exempt from tax: Table B), in Part 1 (benefits payable under primary legislation and Northern Ireland welfare supplementary payments etc), at the appropriate place there were inserted—

“Payments made under family Children Act 1989 **(23)** Section 17”
network support packages as part
of the families first for children
pathfinder programme and the family
networks pilot scheme **(22)**

(3) The modification made by this regulation has effect for the tax year 2023-24 and subsequent tax years.

(18) 2006 c. 32.

(19) 2009 c. 2 (N.I.).

(20) 2009 c. 9 (N.I.). Functions under section 4 have been transferred from the Office of the First Minister and Deputy First Minister to the Department of Education under Article 3(1)(c) and Part 3 of Schedule 1 to the Departments (Transfer of Functions) Order (Northern Ireland) 2016 (S.R. 2016 No. 76).

(21) 2021 asc 1.

(23) 1989 c. 41. Section 17 was amended by paragraph 108 of Schedule 2 to the Social Security (Consequential Provisions) Act 1992 (c. 6); section 7 of the Children (Leaving Care) Act 2000 (c. 35); paragraph 16 of Schedule 3 to the Tax Credits Act 2002; section 116 of the Adoption and Children Act 2002 (c. 38); section 53 of the Children Act 2004 (c. 31); paragraph 6 of Schedule 3 to the Welfare Reform Act 2007; section 24 of, and paragraph 1 of Schedule 1 and Schedule 4 to, the Children and Young Persons Act 2008 (c. 23); and paragraph 1 of Schedule 2 to the Welfare Reform Act 2012. It was also amended by regulation 58 of S.I. 2016/413 (W. 131).

(22) Family network support packages are being piloted through the families first for children pathfinder programme and family network pilot scheme, which started in July 2023. Details of these schemes, including the role of the family support packages, have been published at <https://www.gov.uk/government/publications/families-first-for-children-ffc-pathfinder-programme/families-first-for-children-ffc-pathfinder-programme-and-family-networks-pilot-fnp>. Paper copies of all relevant documentation relating to each scheme are available for inspection at: His Majesty’s Revenue and Customs, 100 Parliament Street, London SW1A 2BQ.

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26th October 2023

Andrew Stephenson
Steve Double
Two of the Lords Commissioners of His
Majesty's Treasury

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments and provide for a modification to Part 10 of, and Schedule 1 to, the Income Tax (Earnings and Pensions) Act 2003 (c. 1) (“ITEPA”), so as to provide that the Scottish carer support payment is a social security benefit chargeable to income tax and that no liability to income tax arises on certain other social security benefits specified in the Regulations.

Regulation 2 amends section 660 of ITEPA by inserting a new row into Table A, in order to specify that the Scottish carer support payment (“CSP”) is a social security benefit chargeable to income tax. It also amends section 661 of ITEPA, which specifies how the amount of taxable social security income from a benefit for a tax year is calculated, by inserting a reference to CSP, and makes a consequential amendment to section 658 of ITEPA. Regulation 2 also makes a consequential amendment to the Table in Part 1 of Schedule 1 to ITEPA to insert an abbreviation for the Carer’s Assistance (Carer Support Payment) (Scotland) Regulations 2023 (S.S.I. 2023/302).

Regulation 3 amends section 677 of ITEPA by inserting a new row into Part 1 of Table B and three new rows into Part 2 of Table B, in order to wholly exempt from income tax payments to families to provide food and drink free of charge in relation to children eligible for free school meals in Northern Ireland, Wales and Scotland, and payments made under the Healthy Start and Scottish Best Start Foods schemes. It also makes consequential amendments to the Table in Part 1 of Schedule 1 to ITEPA by inserting definitions of the abbreviations inserted into Table B in section 677 by regulation 3(2).

Regulation 4 modifies the effect of section 677 of ITEPA in order to wholly exempt from income tax payments made under family network support packages as part of the families first for children pathfinder programme and family networks pilot scheme.

Regulations 3 and 4 are made in exercise of the powers in section 13(1) and 13(2)(b), (c) and (d) of the Finance Act 2020 (c. 14). Section 13(2)(b) provides that regulations made under section 13(1) of that Act may be applied retrospectively. Regulations 3(4) and (5) and regulation 4(3) set out the tax years in relation to which the amendments made by regulation 3 and the modification made by regulation 4, respectively, have effect.

A Tax Information and Impact Note has not been prepared for this instrument as it contains no substantive changes to tax policy.