

*These notes refer to the Tax Credits Act 1999 (c.10)
which received Royal Assent on 30 June 1999*

TAX CREDITS ACT 1999

EXPLANATORY NOTES

THE ACT

14. The Act:
- replaces Family Credit (FC), and Disability Working Allowance (DWA), benefits currently administered by the DSS with Working Families' Tax Credit (WFTC) and Disabled Person's Tax Credit (DPTC);
 - provides for the administration of the tax credits from October 1999 by the Inland Revenue;
 - provides that from April 2000 payment of the tax credits will be through the wage packet - the Act includes powers to make regulations requiring employers to administer payments of WFTC and DPTC;
 - provides for the protection of employees' rights not to suffer unfair dismissal or other detriment;
 - provides for appeals on WFTC and DPTC claims to be heard by the new unified appeal tribunals established under the Social Security Act 1998, as they have the necessary experience to deal with the cases which come before them;
 - provides for necessary exchanges of information between Inland Revenue and Department of Social Security for the purposes of the new tax credits and the remaining social security benefits to enable the business to be carried on;
 - ensures the security of WFTC and DPTC and combats fraud, using compliance provisions drawn from both the current social security legislation and the wider tax system; and
 - provides for WFTC and DPTC to be excepted matters for Northern Ireland, and outside the legislative competence of the Northern Ireland Assembly. This is because the tax credits will be administered by the Inland Revenue as part of the tax system.
15. The greater part of the Act consists of amendments to existing legislation: principally the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992 (and the corresponding Northern Ireland legislation) and the Taxes Management Act 1970.