



Child Trust Funds Act 2004

2004 CHAPTER 6

Contributions and subscriptions

8 Initial contribution by Inland Revenue

- (1) The Inland Revenue must pay to an account provider such amount as is prescribed by regulations if the account provider has—
 - (a) informed the Inland Revenue under section 5(5) or 6(3) that a child trust fund has been opened, and
 - (b) made a claim to the Inland Revenue in accordance with regulations.
- (2) On receipt of the payment the account provider must credit the child trust fund with the amount of the payment.

Commencement Information

II S. 8 in force at 6.4.2005 by [S.I. 2004/3369](#), [art. 2\(1\)](#)

9 Supplementary contribution by Inland Revenue

- (1) If this section applies to a child the Inland Revenue must inform the account provider with whom a child trust fund is held by the child that this section applies to the child.
- (2) If the account provider makes a claim to the Inland Revenue in accordance with regulations, the Inland Revenue must pay to the account provider such amount as is prescribed by regulations.
- (3) On receipt of the payment the account provider must credit the child trust fund with the amount of the payment.
- (4) This section applies to a child if—
 - (a) a child trust fund is held by the child,
 - (b) the child was first an eligible child by virtue of section 2(1)(a), and
 - (c) the condition in subsection (5) is satisfied in relation to the child.

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Child Trust Funds Act 2004, Cross Heading: Contributions and subscriptions. (See end of Document for details)

- (5) That condition is that it has been determined in accordance with the provision made by and by virtue of sections 18 to 21 of the Tax Credits Act 2002 (c. 21)—
- (a) that a person was, or persons were, entitled to child tax credit in respect of the child for the child benefit commencement date, and
 - (b) that either the relevant income of the person or persons for the tax year in which that date fell does not exceed the income threshold or the person, or either of the persons, was entitled to a relevant social security benefit for that date,
- and that determination has not been overturned.
- (6) In subsection (5)(b)—
- “the income threshold” has the meaning given by section 7(1)(a) of the Tax Credits Act 2002,
- “the relevant income”, in relation to a person or persons and a tax year, has the meaning given by section 7(3) of that Act in relation to a claim by the person or persons for a tax credit for the tax year,
- “relevant social security benefit” means any social security benefit prescribed for the purposes of section 7(2) of that Act, and
- “tax year” means a period beginning with 6th April in one year and ending with 5th April in the next.
- (7) If the child benefit commencement date is earlier than 6th April 2005, this section applies in relation to the child even if the condition in subsection (5) is not satisfied in relation to the child provided that the condition in subsection (8) is so satisfied.
- (8) That condition is that—
- (a) income support, or income-based jobseeker’s allowance, was paid for the child benefit commencement date to a person whose applicable amount included an amount in respect of the child, or
 - (b) working families’ tax credit, or disabled person’s tax credit, was paid for that date to a person whose appropriate maximum working families’ tax credit, or appropriate maximum disabled person’s tax credit, included a credit in respect of the child.
- (9) If the child benefit commencement date is earlier than 6th April 2003, subsection (5) has effect as if—
- (a) the reference in paragraph (a) to the child benefit commencement date were to any date in the tax year beginning with 6th April 2003,
 - (b) the reference in paragraph (b) to the tax year in which the child benefit commencement date fell were to the tax year beginning with 6th April 2003, and
 - (c) the reference in paragraph (b) to being entitled to a relevant social security benefit for the child benefit commencement date were to being so entitled for any date in that tax year for which the person was, or the persons were, entitled to child tax credit in respect of the child.
- (10) “Child benefit commencement date”, in relation to a child, means—
- (a) the first day for which child benefit was paid in respect of the child (otherwise than because of a directly applicable Community provision or an international agreement), or

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Child Trust Funds Act 2004, Cross Heading: Contributions and subscriptions. (See end of Document for details)

- (b) in the case of a child to whom section 2(3) applies or section 2(5) has applied, such day as is prescribed by regulations.

Commencement Information

I2 S. 9 in force at 6.4.2005 by [S.I. 2004/3369](#), **art. 2(1)**

10 Further contributions by Inland Revenue

- (1) Regulations may make provision for the making by the Inland Revenue in the circumstances mentioned in subsection (2) of payments to account providers of child trust funds held by—
 - (a) eligible children, or
 - (b) any description of eligible children,of amounts prescribed by, or determined in accordance with, regulations.
- (2) The circumstances referred to in subsection (1) are—
 - (a) the children attaining such age as may be prescribed by the regulations, or
 - (b) such other circumstances as may be so prescribed.
- (3) The regulations must include provision—
 - (a) for making account providers aware that such amounts are payable,
 - (b) about the claiming of such payments by account providers, and
 - (c) about the crediting of child trust funds by account providers with the amount of such payments.
- (4) For the purposes of this section, a child is to be treated as being an eligible child if entitlement to child benefit in respect of the child is excluded by—
 - (a) paragraph 1(a) of Schedule 9 to the Social Security Contributions and Benefits Act 1992 (c. 4) (children in custody), or
 - (b) paragraph 1(1)(a) to (d) of Schedule 9 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7) (corresponding provision for Northern Ireland).

Commencement Information

I3 S. 10 in force at 6.4.2005 by [S.I. 2004/3369](#), **art. 2(1)**

11 Recouping Inland Revenue contributions

- (1) Regulations may make provision requiring that, in circumstances prescribed by the regulations, a person of a description so prescribed is to account to the Inland Revenue for amounts credited to a child trust fund in respect of Inland Revenue contributions (together with any income and gains arising in consequence of the crediting of those amounts).
- (2) “Inland Revenue contributions” means payments made by the Inland Revenue which were required to be made under or by virtue of sections 8 to 10 or which the Inland Revenue considered were required to be so made.

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Child Trust Funds Act 2004, Cross Heading: Contributions and subscriptions. (See end of Document for details)

Commencement Information

I4 S. 11 in force at 6.4.2005 by S.I. 2004/3369, art. 2(1)

12 Subscription limits

- (1) No subscription may be made to a child trust fund otherwise than by way of a monetary payment.
- (2) Regulations may prescribe the maximum amount that may be subscribed to a child trust fund in each year (otherwise than by way of credits made under or by virtue of this Act or income or gains arising on investments under the child trust fund).
- (3) “Year”, in relation to a child trust fund held by a child, means—
 - (a) the period beginning with the day on which the child trust fund is opened and ending immediately before the child’s next birthday, and
 - (b) each succeeding period of twelve months.

Commencement Information

I5 S. 12 in force at 6.4.2005 by S.I. 2004/3369, art. 2(1)

Status:

Point in time view as at 06/04/2005.

Changes to legislation:

There are currently no known outstanding effects for the Child Trust Funds Act 2004, Cross
Heading: Contributions and subscriptions.