

CHILDCARE PAYMENTS ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Recovery of Top-Up Payments

Section 41: Assessment and enforcement of recoverable amounts

176. **Section 41** provides for the process by which HMRC may assess and enforce amounts which are recoverable under sections 35 to 40. HMRC must notify a person if it assesses that they are liable to repay such an amount.
177. Subsections (2) and (3) impose time limits on HMRC for making assessments. An assessment must be made by the earlier of:
- four years from the time the person first became liable to pay the amount to HMRC (or, in cases of dishonesty, 20 years from that time), or
 - 12 months from the day HMRC first believed, or had reasonable grounds to believe, that the person was liable to pay the required amount.
178. Subsection (5) requires a person to pay an amount assessed under this section:
- within 30 days, if they do not apply for a review;
 - within 30 days of the end of the review, if they do not appeal against its conclusion; and
 - if they do appeal, on the day the appeal is decided or withdrawn.
179. Subsection (4) provides that if two or more people have been notified that they are liable to pay an amount to HMRC as a result of an assessment relating to subsection (3) or (4) of section 40, then that can be enforced against them either individually or together.
180. Subsection (6) provides that the requirement to pay any amount to HMRC can be enforced in the same way as income tax which is due.