
STATUTORY INSTRUMENTS

1999 No. 3219

The Tax Credits (Payment by Employers) Regulations 1999

Termination of relevant employer's or relevant subsequent employer's obligation to pay tax credit prior to the termination date contained in the start notification

9.—(1) In any of the circumstances specified in paragraph (2) and subject to paragraphs (9) and (10), the relevant employer or relevant subsequent employer shall cease to make payments of tax credit to an employee in accordance with regulation 6(2) prior to the termination date contained in the start notification.

(2) The circumstances specified in this paragraph are—

- (a) where the employer has received notification from the Board to cease payment of tax credit (“stop notice”) in respect of that employee;
- (b) the death of the employee;
- (c) the employee ceasing to be employed by the employer otherwise than by reason of the employee's death.

(3) In the circumstances specified in paragraph (2)(a) and subject to paragraph (9), the employer shall not pay tax credit to the employee at any time following the latest payable date specified in the stop notice.

(4) In the circumstances specified in paragraph (2)(b) the employer shall not pay tax credit to the employee at any time following the date on which the employer became aware of the death.

(5) In the circumstances specified in paragraph (2)(c) and subject to paragraph (10), the employer shall not pay tax credit to the employee either—

- (a) at any time following the last day on which that employee was in his employment, or
- (b) at any time following the last day of the pay period in which the employee ceased to be employed,

whichever the employer chooses.

(6) Subject to paragraphs (9) and (10), where two or more of the circumstances specified in paragraph (2) occur in respect of the same employee the relevant employer or relevant subsequent employer shall not pay tax credit to that employee at any time following the earliest of the dates specified in paragraphs (3), (4) and (5)(b).

(7) A stop notice shall be in a form provided by the Board and shall contain the following particulars—

- (a) the date of issue of the stop notice;
- (b) the name of the employee concerned;
- (c) the employee's national insurance number and (if known) his payroll number;
- (d) the latest date for which tax credit is payable to that employee (“the latest payable date”).

(8) Except where an earlier date has been agreed between the Board and the employer, the latest payable date—

- (a) where the employee's pay period is one week or of shorter duration, shall not be earlier than 14 days from the date of issue of the stop notice, and

(b) in all other cases, shall not be earlier than 42 days from the date of issue of the stop notice.

(9) In the circumstances specified in paragraph (2)(a) the employer may, after the latest payable date, make a payment to the employee of tax credit that is outstanding at that date in respect of any period which falls within the award period in which the circumstances specified in paragraph 2(a) arise.

(10) In the circumstances specified in paragraph (2)(c) the employer may, after the date chosen by the employer in accordance with paragraph (5), make a payment to the employee of tax credit that is outstanding at that date in respect of any period which falls within the award period in which the circumstances specified in paragraph (2)(c) arise.

(11) A stop notice shall be effective in respect of an employee unless and until a new start notification is received from the Board in respect of that employee.

(12) Where no payment of emoluments is due from the relevant employer or relevant subsequent employer to an employee for a complete pay period the employer shall either—

- (a) cease to make payments of tax credit to that employee in accordance with regulation 6(2) prior to the termination date contained in the start notification, or
- (b) continue to pay tax credit in accordance with regulation 6(2) as if payment of emoluments had been made in that pay period,

whichever the employer chooses.