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STATUTORY INSTRUMENTS

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**2002 No. 2005**

**The Working Tax Credit (Entitlement  
and Maximum Rate) Regulations 2002**

PART 1 **U.K.**

GENERAL

**Citation, commencement and effect** **U.K.**

1. These Regulations may be cited as the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 and shall come into force—

- (a) for the purpose of enabling claims to be made, on 1st August 2002;
- (b) for the purpose of enabling decisions on claims to be made, on 1st January 2003; and
- (c) for all other purposes, on 6th April 2003;

and shall have effect for the tax year beginning on 6th April 2003 and subsequent tax years.

**Interpretation** **U.K.**

2.—(1) In these Regulations, except where the context otherwise requires—

“the Act” means the Tax Credits Act 2002, and a reference without more to a numbered section is a reference to the section of the Act bearing that number;

[<sup>F1</sup>“armed forces independence payment” means armed forces independence payment under the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;]

“the Board” means the Commissioners of Inland Revenue;

“the Contributions and Benefits Act” means the Social Security Contributions and Benefits Act 1992 <sup>M1</sup>;

“child” has the same meaning as it has in the Child Tax Credit Regulations 2002 <sup>M2</sup>;

“claim” means a claim for working tax credit and “joint claim” and “single claim” have the meanings respectively assigned in [<sup>F2</sup>section 3(8)];

“claimant” means the person making a claim and, in the case of a joint claim, means either of the claimants;

[<sup>F3</sup>“contributory employment and support allowance” means a contributory allowance under Part 1 of the Welfare Reform Act][<sup>F4</sup>(“the 2007 Act”) as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance, and a contributory allowance under Part 1 of the 2007 Act as that Part has effect apart from those provisions];

[<sup>F5</sup>“couple” has the meaning given by section 3(5A) of the Act]

*Status: Point in time view as at 25/03/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, PART 1. (See end of Document for details)*

“the determination of the maximum rate” means the determination of the maximum rate of working tax credit;

[<sup>F6</sup>“employed”, except in the expression “self-employed”, means employed under a contract of service or apprenticeship where the earnings under the contract are chargeable to income tax as employment income under Parts 2 to 7 of the Income Tax (Earnings and Pensions) Act 2003][<sup>F7</sup>otherwise than by reason of Chapter 8 of Part 2 of that Act (deemed employment in respect of arrangements made by intermediaries).];

[<sup>F8</sup>“employment zone” means an area within Great Britain—

- (a) subject to a designation for the purposes of the Employment Zones Regulations 2003 by the Secretary of State, or
- (b) [<sup>F9</sup>listed in the Schedule to the Employment Zones (Allocation to Contractors) Pilot Regulations 2006]

pursuant to section 60 of the Welfare Reform and Pensions Act 1999;]

“employment zone programme” means a programme which is—

- (a) established for one or more employment zones, and
- (b) designed to assist claimants for a jobseeker’s allowance to obtain sustainable employment;

[<sup>F10</sup>“initial claim” shall be construed in accordance with regulation 9A;]

[<sup>F11</sup>“limited capability for work credit” refers to a credit under regulation 8B(1) of the Social Security (Credits) Regulations 1975 where paragraph (2)(a)(iv) or (2)(a)(v) of that regulation applies, and which follows the cessation of the entitlement period of contributory employment and support allowance;]

“local authority” means—

- (a) in relation to England, the council of a county or district, a metropolitan district, a London Borough, the Common Council of the City of London or the Council of the Isles of Scilly;
- (b) in relation to Wales, the council of a county or county borough; or,
- (c) in relation to Scotland, a council constituted under section 2 of the Local Government, etc. (Scotland) Act 1994 <sup>M3</sup>;

[<sup>F12</sup>“partner” means a member of a <sup>F13</sup>... couple making a joint claim;]

“patient” means a person (other than a person who is serving a sentence, imposed by a court, in a prison or youth custody institution or, in Scotland, a young offenders’ institution) who is regarded as receiving free in-patient treatment within the meaning of the Social Security (Hospital In-Patients) Regulations [<sup>F14</sup>2005];

“period of award” shall be construed in accordance with [<sup>F15</sup>section 5];

[<sup>F16</sup>“personal independence payment” means personal independence payment under Part 4 of the Welfare Reform Act 2012;]

“qualifying young person” means a person who satisfies regulation 5 of the Child Tax Credit Regulations 2002;

“relevant child care charges” has the meaning given by regulation 14;

<sup>F17</sup> ...

[<sup>F18</sup>“self-employed” means engaged in carrying on a trade, profession or vocation on a commercial basis and with a view to the realisation of profits, either on one’s own account or as a member of a business partnership and the trade, profession or vocation is organised and regular;]

“sports award” means an award made by one of the Sports Councils named in section 23(2) of the National Lottery etc. Act 1993<sup>M4</sup> out of sums allocated to it for distribution under that section;

“surrogate child” means a child in respect of whom an order has been made under section 30 of the Human Fertilisation and Embryology Act 1990<sup>M5</sup> [F19] (parental orders) or section 54 of the Human Fertilisation and Embryology Act 2008 (parental orders);

F17 ...

“training allowance” means an allowance (whether by way of periodical grants or otherwise) payable—

- (a) out of public funds by a Government department or by or on behalf of the Secretary of State, Scottish Enterprise or Highlands and Islands Enterprise or the Department for [F20] Communities or the Department for the Economy] (“the relevant paying authority”);
- (b) to a person in respect of his maintenance or in respect of a member of his family; and
- (c) for the period, or part of the period, during which he is following a course of training or instruction—
  - (i) provided by, or in pursuance of arrangements made with, the relevant paying authority, or
  - (ii) approved by the relevant paying authority in relation to him,

but does not include an allowance, paid by a Government department, Northern Ireland department or the Scottish Executive to or in respect of a person by reason of the fact that he is training as a teacher, or is following a course of full-time education, other than under arrangements made under section 2 of the Employment and Training Act 1973<sup>M6</sup>, section 2 or 3 of the Disabled Persons (Employment) Act (Northern Ireland) 1945<sup>M7</sup>, or section 1(1) of the Employment and Training Act (Northern Ireland) 1950<sup>M8</sup>;

[F21] “training for work” shall be construed in accordance with regulation 9B;

“week” means a period of seven days beginning with midnight between Saturday and Sunday.

[F22] “the Welfare Reform Act” means the Welfare Reform Act 2007.]

(2) For the purposes of these Regulations a person is responsible for a child or qualifying young person if he is treated as being responsible for that child or qualifying young person in accordance with the rules contained in regulation 3 of the Child Tax Credit Regulations 2002.

(3) A reference in these Regulations to an enactment applying to Great Britain but not to Northern Ireland shall, unless the context otherwise requires, include a reference to the corresponding enactment applying in Northern Ireland.

[F23] (4) In these Regulations as they apply to an office a reference to being employed includes a reference to being the holder of an office.]

[F24] (5) For the purpose of these Regulations—

- (a) two or more periods of entitlement to employment and support allowance are linked together if they satisfy the conditions in regulation 145 of the Employment and Support Allowance Regulations 2008 [F25] or regulation 86 of the Employment and Support Allowance Regulations 2013] ; and
- (b) a period of entitlement to employment and support allowance is linked together with a period of entitlement to statutory sick pay if it follows that period within 12 weeks.]

*Status: Point in time view as at 25/03/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, PART 1. (See end of Document for details)*

## Textual Amendments

- F1** Words in reg. 2(1) inserted (8.4.2013) by The Armed Forces and Reserve Forces Compensation Scheme (Consequential Provisions: Subordinate Legislation) Order 2013 (S.I. 2013/591), art. 2(2), **Sch. para. 24(2)**
- F2** Words in reg. 2(1) substituted (6.4.2003) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(2)**
- F3** Words in reg. 2(1) inserted (E.W.S) (27.10.2008) by The Employment and Support Allowance (Consequential Provisions) (No. 3) Regulations 2008 (S.I. 2008/1879), regs. 1(1), **20(2)(a)(i)**
- F4** Words in reg. 2(1) inserted (29.4.2013) by The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013 (S.I. 2013/630), regs. 1(2), **77(2)(a)**
- F5** Words in reg. 2(1) substituted (5.12.2005) by The Civil Partnership Act 2004 (Tax Credits, etc.) (Consequential Amendments) Order 2005 (S.I. 2005/2919), arts. 1, **2(2)(a)**
- F6** Words in reg. 2(1) substituted (6.4.2003) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(3)**
- F7** Words in reg. 2 added (26.11.2003) by The Tax Credits (Miscellaneous Amendments No.2) Regulations 2003 (S.I. 2003/2815), regs. 1, **13**
- F8** Words in reg. 2(1) substituted (6.4.2006) by The Tax Credits (Miscellaneous Amendments) Regulations 2006 (S.I. 2006/766), regs. 1, **20(2)**
- F9** Words in reg. 2(1) substituted (6.4.2007) by The Tax Credits (Miscellaneous Amendments) Regulations 2007 (S.I. 2007/824), regs. 1, **3**
- F10** Words in reg. 2(1) substituted (6.4.2003) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(4)**
- F11** Words in reg. 2(1) inserted (1.5.2012) by The Tax Credits (Miscellaneous Amendments) Regulations 2012 (S.I. 2012/848), regs. 1(4), **2(2)(a)**
- F12** Words in reg. 2(1) inserted (6.4.2003) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(5)**
- F13** Words in reg. 2(1) omitted (5.12.2005) by virtue of The Civil Partnership Act 2004 (Tax Credits, etc.) (Consequential Amendments) Order 2005 (S.I. 2005/2919), arts. 1, **2(2)(b)**
- F14** Word in reg. 2(1) substituted (6.4.2012) by The Tax Credits (Miscellaneous Amendments) Regulations 2012 (S.I. 2012/848), regs. 1(2), **2(2)(b)**
- F15** Words in reg. 2(1) substituted (6.4.2003) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(6)**
- F16** Words in reg. 2(1) inserted (8.4.2013) by The Personal Independence Payment (Supplementary Provisions and Consequential Amendments) Regulations 2013 (S.I. 2013/388), reg. 2, **Sch. para. 28(2)**
- F17** Words in reg. 2(1) omitted (6.4.2003) by virtue of The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(7)**
- F18** Words in reg. 2 substituted (6.4.2015) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015 (S.I. 2015/605), regs. 1, **3**
- F19** Words in reg. 2(1) inserted (6.4.2010) by The Human Fertilisation and Embryology (Parental Orders) (Consequential, Transitional and Saving Provisions) Order 2010 (S.I. 2010/986), art. 1(1), **Sch. para. 7**
- F20** Words in reg. 2(1) substituted (21.3.2019) by The Tax Credits, Child Benefit and Childcare Payments (Miscellaneous Amendments) Regulations 2019 (S.I. 2019/364), regs. 1, **2(2)**
- F21** Words in reg. 2(1) inserted (6.4.2003) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(8)**
- F22** Words in reg. 2(1) inserted (E.W.S) (27.10.2008) by The Employment and Support Allowance (Consequential Provisions) (No. 3) Regulations 2008 (S.I. 2008/1879), regs. 1(1), **20(2)(a)(ii)**
- F23** Reg. 2(4) inserted (6.4.2003) by The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2003 (S.I. 2003/701), regs. 1, **3(9)**
- F24** Reg. 2(5) added (E.W.S) (27.10.2008) by The Employment and Support Allowance (Consequential Provisions) (No. 3) Regulations 2008 (S.I. 2008/1879), regs. 1(1), **20(2)(b)**

**F25** Words in reg. 2(5)(a) inserted (29.4.2013) by [The Universal Credit \(Consequential, Supplementary, Incidental and Miscellaneous Provisions\) Regulations 2013 \(S.I. 2013/630\)](#), regs. 1(2), **77(2)(b)**

**Marginal Citations**

- M1** 1992 c.4.
- M2** S.I. 2002/2007.
- M3** 1994 c.39.
- M4** 1993 c.39.
- M5** 1990 c.37.
- M6** 1973 c.50: section 2 was substituted by section 25(1) of the [Employment Act 1988 \(c.19\)](#).
- M7** 1945 c.6 (N.I.): sections 2 and 3 were amended by section 1 of the [Disabled Persons \(Employment\) Act \(Northern Ireland\) 1960 \(c.4 \(N.I.\)\)](#) and Schedule 18 to the [Education and Libraries \(Northern Ireland\) Order 1986 \(S.I. 1986/594 \(N.I. 3\)\)](#).
- M8** 1950 c.29 (N.I.): section 1 was amended by Article 3 of the [Employment and Training \(Amendment\) \(Northern Ireland\) Order 1988 \(S.I. 1988/1087 \(N.I. 10\)\)](#).

**Other elements of working tax credit** **U.K.**

3.—(1) For the purposes of determining the maximum rate of working tax credit, in addition to the basic element and the disability element <sup>M9</sup>, the following elements are prescribed—

- (a) a 30 hour element;
- (b) a second adult element;
- (c) a lone parent element;
- (d) a child care element; <sup>F26</sup>and]
- (e) a severe disability element; <sup>F27</sup>...
- <sup>F27</sup>(f) .....

(2) It is a condition of entitlement to the other elements of working tax credit that the person making the claim for working tax credit is entitled to the basic element.

(3) If the claim for working tax credit is a joint claim, and both members of the couple satisfy the conditions of entitlement for—

- (a) the disability element, <sup>F28</sup>or]
- (b) the severe disability element, <sup>F29</sup>...
- <sup>F29</sup>(c) .....

the award must include two such elements.

**Textual Amendments**

- F26** Word in reg. 3(1) inserted (6.4.2012) by [The Tax Credits \(Miscellaneous Amendments\) Regulations 2012 \(S.I. 2012/848\)](#), regs. 1(2), **2(3)(a)**
- F27** Reg. 3(1)(f) and word omitted (6.4.2012) by virtue of [The Tax Credits \(Miscellaneous Amendments\) Regulations 2012 \(S.I. 2012/848\)](#), regs. 1(2), **2(3)(a)(ii)**
- F28** Word in reg. 3(3) inserted (6.4.2012) by [The Tax Credits \(Miscellaneous Amendments\) Regulations 2012 \(S.I. 2012/848\)](#), regs. 1(2), **2(3)(b)**
- F29** Reg. 3(3)(c) and word omitted (6.4.2012) by virtue of [The Tax Credits \(Miscellaneous Amendments\) Regulations 2012 \(S.I. 2012/848\)](#), regs. 1(2), **2(3)(b)(ii)**

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**Marginal Citations**

- M9** Subsections (2) and (3) of section 11 of the Act provide that working tax credit shall include the basic element and the disability element, whilst subsection (5) provides for the possibility of including other elements.

**Status:**

Point in time view as at 25/03/2020.

**Changes to legislation:**

There are currently no known outstanding effects for the The Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, PART 1.