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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The Tax Credits Act 2002 (“the Act”) introduces new tax credits—child tax credit and working tax credit—which will be available from 6th April 2003.

Section 8 of the Act provides that entitlement of a person or persons to child tax credit is dependent on him, or (in the case of a joint claim) either or both of them, being responsible for a child or qualifying young person. These Regulations provide the meaning of “responsible” and set out ages and qualifying conditions for children and qualifying young persons. They also set out the circumstances in which child tax credit is paid for up to eight weeks after a child or qualifying young person has died.

Section 9 of the Act provides for the determination of the maximum rate of child tax credit. Subsection (2) of that section provides that the determination must include first the family element of child tax credit and, secondly, an individual element of child tax credit in respect of each child or qualifying young person for whom the claimant or (in the case of a joint claim) either or both of the joint claimants is or are responsible.

Subsection (5) of section 9 provides that the amount of those elements may vary according to the age of the child or qualifying young person or otherwise, and must be subject to cumulative increases where he or she is disabled or severely disabled.

Regulations 1 and 2 provide for the citation, commencement and effect of the Regulations, and for interpretation.

Regulation 3 determines the circumstances in which a person is or is not responsible for a child or qualifying young person, for child tax credit purposes.

Regulation 4 provides for a person who has attained the age of 16 years to remain a “child” for the purposes of child tax credit and working tax credit until the 1st September following their sixteenth birthday.

Regulation 5 provides for the maximum age for a qualifying young person (the date on which he or she attains 19 years), and the conditions which a person who is no longer a child but is under 19 has to fulfil to be a qualifying young person.

Regulation 6 prescribes the circumstances in which a person is entitled to Child Tax Credit for a child or qualifying young person who has died.

Regulation 7 prescribes the maximum rate at which a person or persons may be entitled to Child Tax Credit.

Regulation 8 defines “disabled” and “severely disabled” for the purposes of section 9 of the Act.

A regulatory impact assessment in respect of the Act has been prepared and placed in the Library of each House of Parliament. A copy can be found on the Inland Revenue website ([www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk)).