
EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 24(6) of the Tax Credits Act 2002 (c. 21) (“the Act”) provides that, subject to section 25 of the Act, payments of a tax credit must be made by the Commissioners of Inland Revenue (“the Board”). Section 25 of the Act provides for regulations to be made requiring employers to pay working tax credit.

The Working Tax Credit (Payment by Employers) Regulations 2002 (S.I. 2002/2172) are being made under section 25 of the Act at the same time as these Regulations. These Regulations make provision in relation to the payment of tax credits by the Board.

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulations 3, 4 and 5 prescribe the member of a married couple or an unmarried couple to whom payment is to be made where an award of a tax credit is made to such a couple. Regulation 3 relates to child tax credit and the child care element of working tax credit and regulation 4 relates to working tax credit. Regulation 5 deals with cases where one member of such a couple dies.

Regulation 6 prescribes the person to whom payment is to be made where a claim for a tax credit was made by one person on behalf of another.

Regulation 7 prescribes circumstances in which payments may continue to be made for any period, after the tax year for which an award of tax credit has been made to a person or persons, within which the person is or the persons are entitled to make a claim for the tax credit for the next tax year.

Regulations 8 to 11 provide for the time when a tax credit is to be paid. Regulation 8 relates to payments by way of a credit to a bank account or other account and regulation 9 relates to payments by other means. Regulation 10 provides for a single payment where the weekly rate of the tax credit is less than £2.00. Regulation 11 provides for the postponement of payment in certain circumstances.

Regulation 12 provides for the amount of payments.

Regulation 13 provides for the manner of payments. The main manner of payment is by way of a credit to a bank account or other account.

Regulation 14 provides for entitlement to a tax credit to be dependent on a bank account or other account having been notified to the Board.