

STATUTORY INSTRUMENTS

2002 No. 2173

The Tax Credits (Payments by the Commissioners) Regulations 2002

[^{F1}Recovery of overpayments of tax credit from other payments of tax credit

12A.—(1) This regulation applies where notice is given to a person or persons under subsection (4) of section 29 of the Act (deduction of overpayments from payments of tax credit).

(2) The maximum rate at which an overpayment may be recovered from payments of tax credit is—

- (a) where the only amount of tax credit to which the person is, or, in the case of a joint claim, the persons are, entitled, is the family element of child tax credit, 100% of that tax credit;
- (b) where the total amount of tax credit to which the person is, or, in the case of a joint claim, the persons are, entitled is not subject to reduction—
 - (i) by virtue of section 7(2) of the Act; or
 - (ii) because their income for the relevant year does not exceed the relevant income threshold prescribed in his or their case in regulation 3 of the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002;10% of that tax credit; and
- (c) in any other case, [^{F2}the income-related percentage] of the tax credit to which the person is, or in the case of a joint claim, the persons are, entitled.

[^{F3}(2A) In paragraph (2)(c), “the income-related percentage” means—

- (a) 50% if annual income exceeds £20,000; and
- (b) 25% in any other case.

(2B) For the purposes of paragraph (2A)(a), “annual income”—

- (a) means the annual income of the person or, in the case of a joint claim, the aggregate annual income of the persons, mentioned in paragraph (2)(c); and
- (b) is to be taken to be the amount that the Commissioners are for the time being treating that income to be for the purposes of Part 1 of the Act, regardless of whether that amount is also “the relevant income” (as defined by section 7(3) of the Act) on which the entitlement to the tax credit mentioned in paragraph (2)(c) is dependent.]

(3) In paragraph (2) a reference to the amount to which a person is, or persons are, entitled is a reference to the amount to which they would be entitled but for the operation of that paragraph.]

Textual Amendments

F1 Reg. 12A inserted (6.4.2004) by [The Tax Credits \(Miscellaneous Amendments\) Regulations 2004 \(S.I. 2004/762\)](#), regs. 1(1), **18**

F2 Words in [reg. 12A\(2\)\(c\)](#) substituted (6.4.2016) by [The Tax Credits and Child Benefit \(Miscellaneous Amendments\) Regulations 2016 \(S.I. 2016/360\)](#), regs. 1, **5(2)(a)**

Changes to legislation: *There are currently no known outstanding effects for the The Tax Credits (Payments by the Commissioners) Regulations 2002, Section 12A. (See end of Document for details)*

F3 Reg. 12A(2A)(2B) inserted (6.4.2016) by The Tax Credits and Child Benefit (Miscellaneous Amendments) Regulations 2016 (S.I. 2016/360), regs. 1, **5(2)(b)**

Changes to legislation:

There are currently no known outstanding effects for the The Tax Credits (Payments by the Commissioners) Regulations 2002, Section 12A.