
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Tax Credits (Claims and Notifications) Regulations 2002 (S.I. 2002/2014). The principal effects of the changes are twofold. First, they specify additional changes of circumstances of which claimants must notify H. M. Revenue and Customs, as they may decrease the rate of tax credits or lead to the cessation of entitlement. Secondly, they reduce the period for notification from three months from the change in circumstances to one month.

Regulation 1 provides for citation, commencement and effect and regulation 2 for amendment of the 2002 Regulations. Regulation 3 contains a technical drafting amendment.

Regulation 4 sets out all the changes in circumstances which have to be notified to H. M. Revenue and Customs for the purposes of Working Tax Credit and Child Tax Credit.

Regulation 5 alters the notification requirement by providing that in most cases, time runs from the date on which the claimant became aware of the change in circumstances.

Regulation 6 reduces the notification period to one month. Regulation 6 has effect from 6th April 2007, whereas the other changes (including regulation 5) have effect from 1st November 2006.

Regulation 27 adds an additional circumstance which may (optionally) be notified in advance to H. M. Revenue and Customs, where a child is expected to become a qualifying young person for the purposes of tax credits, for example where a child near his or her sixteenth birthday intends to continue in non-advanced full time education, or training.

A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.