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## EXPLANATORY NOTE

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

These Regulations amend the Tax Credits (Definition and Calculation of Income) Regulations 2002 (S.I. 2002/2006) (“the Income Regulations”), the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I. 2002/2005) (“the Entitlement Regulations”) and the Tax Credits (Provision of Information) (Functions Relating to Health) Regulations 2003 (S.I. 2003/731) (“the Information Regulations”).

Regulation 2 amends regulation 2(2) of the Income Regulations and substitutes item 9 in Table 6 of regulation 19 of those Regulations. Table 6 contains descriptions of sums that are disregarded in the calculation of income for the purposes of Tax Credits. Following the amendment to Chapter 2 of Part 7 of the Income Tax (Trading and other Income) Act 2005 (“ITTOIA”) by Schedule 1 to the Finance (No 3) Act 2010 (c. 33), the disregard in item 9 in respect of receipts from the provision of foster care is substituted so that receipts from the provision by an individual of qualifying care that qualifies for relief from income tax by virtue of Chapter 2 of Part 7 of ITTOIA is disregarded in the calculation of income for the purposes of Tax Credits.

Regulation 14(2)(b) of the Entitlement Regulations is amended, so that care provided for a child in Scotland by a foster carer is not child care for the purposes of the calculation of the maximum rate.

Regulation 14(2)(c) of the Entitlement Regulations is amended, so that care provided for a child in Northern Ireland by a foster parent is child care, for the purposes of the calculation of the maximum rate of Tax Credits, only where the child in question is not being fostered by that foster parent and the care provided would, if the child were younger, fall within one of the descriptions contained in new regulation 14(2C) (which is inserted by regulation 3(6) of these Regulations).

Regulation 14(2)(f) of the Entitlement Regulations is amended, in relation to care provided in Wales that qualifies as child care for the purposes of the calculation of the maximum rate of Tax Credits as follows.

Regulation 14(2)(f)(i) is amended so that child care provided for a child by persons registered under Part 2 of the [Children and Families \(Wales\) Measure 2010 \(2010 nawm 1\)](#) qualifies as child care for the purposes of the calculation of the maximum rate of Tax Credits.

Regulation 14(2)(f)(ii) is amended so that child care provided to a child in circumstances where, but for article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010 (S.I. 2010/2839 (W. 233)), the care would be day care for the purposes of Part 2 of the Children and Families (Wales) Measure 2010.

Regulation 14(2)(f)(viii) is added, so that care provided for a child by a foster parent is child care, for the purposes of the calculation of the maximum rate of Tax Credits, only where the child in question is not being fostered by that foster parent and the care provided would, if the child were younger, fall within one of the descriptions contained in new regulation 14(2D) (which is inserted by regulation 3(6) of these Regulations).

Regulation 4 amends the Information Regulations. These allow information relating to Tax Credits to be provided by the Commissioners for Her Majesty’s Revenue and Customs to the Department of Health for the purposes of functions relating to health. Regulation 4(2) redefines “qualifying family” with a new income threshold and uses child tax credit alone as the other qualifying factor. Regulation 4(3) replaces references to milk tokens, free vitamins, dried milk and related health matters with a reference to any scheme established under either section 13 of the Social Security Act 1988 (c. 7) or under article 13 of the Social Security (Northern Ireland) Order 1988

**Status:** *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

(S.R. (NI) 1988 No 594) in so far as such scheme relates to the health of pregnant women, mothers, or children.

A full and final Impact Assessment has not been produced for this instrument as a negligible impact on the private or voluntary sectors is foreseen.