

2018 No. 344

SOCIAL SECURITY

TAX CREDITS

**The Tax Credits and Guardian's Allowance Up-rating etc.
Regulations 2018**

Made - - - - *8th March 2018*

Coming into force in accordance with regulation 1(2)

Following a review under section 41(1) of the Tax Credits Act 2002(a) in the tax year 2017-18 of some of the amounts specified in section 41(2) of that Act, the Treasury have determined that Regulations should be made prescribing increases in some of those amounts.

Following a review of the sums specified in section 150(1)(a)(i) of the Social Security Administration Act 1992(b) ("the Great Britain Administration Act") in the tax year 2017-18, the Treasury have determined that the general level of prices in Great Britain is greater at the end of the period under review than it was at the beginning. These Regulations make provision under section 150 of the Great Britain Administration Act, and make corresponding provision for Northern Ireland in accordance with section 132(1) of the Social Security Administration (Northern Ireland) Act 1992(c) ("the Northern Ireland Administration Act").

A draft of these Regulations was laid before Parliament in accordance with section 66(1) and (2)(a) of the Tax Credits Act 2002, sections 150(2)(a) and 190(1) of the Great Britain Administration Act, and section 166(10A)(d) of the Northern Ireland Administration Act, and approved by a resolution of each House of Parliament.

The Treasury make the following Regulations in the exercise of the powers conferred by sections 9, 11, 65(1) and 67 of the Tax Credits Act 2002(e), sections 150(2)(a), (5), (9) and (10)(a)(i) of the

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- (a) 2002 c. 21. The amounts not reviewed have not been reviewed by virtue of section 12 of the Welfare Reform and Work Act 2016 (c. 7).
- (b) 1992 c. 5. Section 150(1)(a)(i) was substituted by section 6(2)(a) of the Pensions Act 2007 (c. 22). The sum reviewed under section 150(1)(a)(i) which is relevant to the making of these Regulations is the weekly rate of guardian's allowance.
- (c) 1992 c. 8. Section 132(1) was amended by the Tax Credits Act 2002, Schedule 4, paragraph 9. The functions of the Department for Social Development (renamed the Department for Communities by the Departments Act (Northern Ireland) 2016 (c. 5)) in respect of guardian's allowance under section 132 of the Northern Ireland Administration Act which are relevant to the making of these Regulations were transferred to the Treasury by section 49(4) of the Tax Credits Act 2002.
- (d) Paragraph (10A) was inserted by S.I. 1999/671, Schedule 3, paragraph 50(4), and amended by the Tax Credits Act 2002, Schedule 4, paragraph 11(3).
- (e) Section 67 provides that "prescribed" means "prescribed by regulations". Section 9 was amended by section 13 of the Welfare Reform and Work Act 2016.

Great Britain Administration Act(a), and sections 132(1) of the Northern Ireland Administration Act and now exercisable by them.

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Tax Credits and Guardian’s Allowance Up-rating etc. Regulations 2018.

(2) These Regulations come into force on 6th April 2018 except for regulations 4 and 5 which come into force on 9th April 2018.

(3) Regulations 2 and 3 have effect in relation to awards of tax credits for the tax year beginning on 6th April 2018 and subsequent tax years.

Amendment of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002

2. The table in Schedule 2 (maximum rates of the elements of a working tax credit) to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002(b) is amended as follows—

- (a) in item 2 (disability element), in the second column for “£3,000” substitute £3,090”; and
- (b) in item 6 (severe disability element), in the second column for “£1,290” substitute “£1,330”.

Amendment of the Child Tax Credit Regulations 2002

3. Regulation 7 (determination of the maximum rate at which a person or persons may be entitled to child tax credit) of the Child Tax Credit Regulations 2002(c) is amended as follows—

- (a) in paragraph 5(a), for “£3,175” substitute “£3,275”; and
- (b) in paragraph 5(b), for “£4,465” substitute “£4,600”.

Amendment of Schedule 4 to the Social Security Contributions and Benefits Act 1992

4. In paragraph 5 of Part 3 of Schedule 4 to the Social Security Contributions and Benefits Act 1992(d) (weekly rate of guardian’s allowance) for “£16.70” substitute “£17.20”.

Amendment of Schedule 4 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992

5. In paragraph 5 of Part 3 of Schedule 4 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992(e) (weekly rate of guardian’s allowance) for “£16.70” substitute “£17.20”.

Andrew Stephenson

Rebecca Harris

8th March 2018

Two of the Lords Commissioners of Her Majesty’s Treasury

(a) The functions of the Secretary of State under Part 10 of the Great Britain Administration Act so far as relating to guardian’s allowance were transferred to the Treasury by section 49(3) of the Tax Credits Act 2002. Section 150(10)(a)(i) was amended by the Pensions Act 2007, Schedule 1, Part 5, paragraph 21.

(b) S.I. 2002/2005, amended by S.I. 2017/406.

(c) S.I. 2002/2007, amended by S.I. 2017/387 and S.I. 2017/406; there are other amending instruments but none is relevant.

(d) 1992 c. 4. This paragraph was last amended by regulation 4 of S.I. 2017/406.

(e) 1992 c. 7. This paragraph was last amended by regulation 5 of S.I. 2017/406.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I. 2002/2005); the Child Tax Credit Regulations 2002 (S.I. 2002/2007); the Social Security Contributions and Benefits Act 1992 (c. 4); and the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7).

Regulation 2 increases the maximum rate of the disability and severe disability elements of working tax credit from £3,000 and £1,290 to £3,090 and £1,330 respectively.

Regulation 3 increases the rate of the disability element of child tax credit from £3,175 to £3,275 for a disabled child or qualifying young person and from £4,465 to £4,600 for a severely disabled child or qualifying young person.

Regulations 4 and 5 increase the weekly rate of guardian's allowance from £16.70 to £17.20.

A full impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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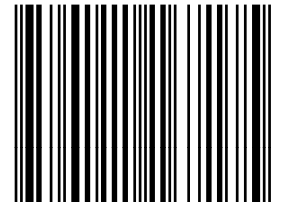
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