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STATUTORY INSTRUMENTS

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**2016 No. 978**

**TAX CREDITS**

**The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2016**

<i>Made</i>	- - - -	<i>10th October 2016</i>
<i>Laid before Parliament</i>		<i>10th October 2016</i>
<i>Coming into force</i>	- -	<i>31st October 2016</i>

The Treasury make the following Regulations in exercise of the powers conferred by sections 7(8) and 65(1) of the Tax Credits Act 2002(1).

**Citation and commencement**

1. These Regulations may be cited as the Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2016 and come into force on 31st October 2016.

**Amendment of the Tax Credits (Definition and Calculation of Income) Regulations 2002**

2.—(1) The Tax Credits (Definition and Calculation of Income) Regulations 2002(2) are amended as follows.

(2) In regulation 7 (social security income)—

(a) after paragraph (1)(a) insert—

“(aa) under Part 3 of the Welfare Supplementary Payments Regulations (Northern Ireland) 2016(3) or Part 2 of the Welfare Supplementary Payment (Loss of Carer Payments) Regulations (Northern Ireland) 2016(4);”;

(b) in paragraph (1)(d) for “Department for Social Development” substitute “Department for Communities”;

(c) in paragraph (3), Table 3, item 10, for “Department for Social Development” substitute “Department for Communities”.

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(1) 2002 c. 21.

(2) S.I. 2002/2006, amended by S.I. 2013/591; there are other amending instruments but none is relevant.

(3) S.R. (NI) 2016 No 178.

(4) S.R. (NI) 2016 No 253.

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*Status: This is the original version (as it was originally made).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

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(3) In Table 6 of regulation 19 (sums disregarded in the calculation of income) after item 17<sup>(5)</sup> insert—

“**18.** Any payment made under the Welfare Supplementary Payment (Loss of Disability Living Allowance) Regulations (Northern Ireland) 2016<sup>(6)</sup>, the Welfare Supplementary Payment (Loss of Disability-Related Premiums) Regulations (Northern Ireland) 2016<sup>(7)</sup>, Part 2 of the Welfare Supplementary Payments Regulations (Northern Ireland) 2016, or Parts 3 to 5 of the Welfare Supplementary Payment (Loss of Carer Payments) Regulations (Northern Ireland) 2016 .”.

*Stephen Barclay*

*David Evennett*

Two of the Lords Commissioners of Her Majesty's Treasury

10th October 2016

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<sup>(5)</sup> Item 17 was inserted by [S.I. 2013/591](#).

<sup>(6)</sup> [S.R. \(NI\) 2016 No 250](#).

<sup>(7)</sup> [S.R. \(NI\) 2016 No 254](#).

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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) to provide for the treatment of certain new welfare payments when calculating income for the purposes of tax credits.

First, payments under Part 3 of the Welfare Supplementary Payments Regulations (Northern Ireland) 2016 (S.R. (NI) 2016 No 178) and Part 2 of the Welfare Supplementary Payment (Loss of Carer Payments) Regulations (Northern Ireland) 2016 (S.R. (NI) 2016 No 253) are treated as income.

Secondly, payments under Part 2 of the Welfare Supplementary Payments Regulations (Northern Ireland) 2016, Parts 3-5 of the Welfare Supplementary Payment (Loss of Carer Payments) Regulations (Northern Ireland) 2016, the Welfare Supplementary Payment (Loss of Disability Living Allowance) Regulations (Northern Ireland) 2016 (S.R. (NI) 2016 No 250), and the Welfare Supplementary Payment (Loss of Disability-Related Premiums) Regulations (Northern Ireland) 2016 (S.R. (NI) 2016 No 254) are excluded as income.

These Regulations also make consequential amendments reflecting the change of the name of the Department for Social Development to the Department for Communities.

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