EXPLANATORY MEMORANDUM TO

THE CHILD BENEFIT (GENERAL) (AMENDMENT) REGULATIONS 2007

2007 No. 2150

THE CHILD TAX CREDIT (AMENDMENT) REGULATIONS 2007

2007 No. 2151

1. This explanatory memorandum has been prepared by HM Revenue and Customs (HMRC) and is laid before Parliament by Command of Her Majesty.

   This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

These regulations make amendments to the Child Benefit (General) Regulations 2006 and the Child Tax Credit Regulations 2003. The amendments will assist those families which include a young person whose 19th birthday falls within the early weeks of the academic year. Where such a young person has been previously in continuous education or training and has been offered a place on, or enrolled to undertake a further year of non-advanced study which does not commence until after the date of the birthday, they will be treated as a qualifying young person for the purposes of being entitled to Child Benefit. The Regulations also amend the definition of approved training in respect of the arrangements made by the Government in relation to England and Northern Ireland.

In addition, the Child Benefit (General) (Amendment) Regulations 2007 amend the Child Benefit (General) Regulations 2006 -

- to allow a person to make an election to relinquish their entitlement to Child Benefit in favour of another by telephone and make other minor technical amendments.
- to limit the requirement for a person to have a right to reside in the United Kingdom to claims made on or after 1st May 2004.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None

4. Legislative Background

Section 141 of the Social Security Contributions and Benefits Act 1992 provide for Child Benefit to be payable for a child and a qualifying young person. Section 142 of the Act defines those persons to be treated as a child

and a qualifying young person. Section 8 of the Tax Credits Act 2002 provides for the conditions of entitlement to Child Tax Credit.

For Child Benefit purposes a qualifying young person must meet prescribed conditions as to their age and the activities they undertake. These prescribed conditions are set out in Part 2 of the Child Benefit (General) Regulations 2006 (SI 2006 No. 223). Similar conditions are set out in the Child Tax Credit Regulations 2002 (SI 2002 No 2007) for Child Tax Credit purposes.

Our understanding is that the changes sought to each set of Regulations do not require affirmative resolution.

5. Extent

These instruments apply to all of the United Kingdom

6. European Convention on Human Rights

The orders are subject to annulment and do not amend primary legislation. Accordingly, a certificate that the instruments are compatible with the Convention rights is not required.

7. Policy Background

Regulation 3of the Child Benefit (General) Regulation 2006 provides for what is meant by non-advanced education and training for the purposes of treating a 16-19 year old as a qualifying young person. Theses provisions were introduced as part of the reforms to the financial support for young people introduced in April 2006 to enable families where a young person is undertaking a course of approved training to receive the same support as that previously payable only where a young person was undertaking full-time, non-advanced education. The reforms also allowed for support to continue until a young person either completed their course of approved training or full-time, non-advanced education, or they reached age 20, whichever occurred first. However, the extension beyond the date the young person attains age 19 is subject to the requirement that the young person commenced their course before reaching age 19.

Increasingly young people undertake a third year of non-advanced study or training to improve their future prospects. The amendments made in these Regulations ensure families do not lose entitlement to Child Benefit and Child Tax Credit merely because the young person's 19th birthday falls immediately before the start of a new academic year. To be assisted by the amendment the young person must have been offered a place on, or enrolled on the further year of study before reaching age 19 and have previously been in continuous education or training. The amendments ensure the policy intention that Child Benefit and Child tax Credit should be available beyond age 19 to enable young people to complete courses started before they attain age 19 is fully supported.

Approved training is defined in regulation 1 of the Child Benefit (General) Regulations 2006 and Child Tax Credit Regulations 2002 by reference to a list of specific training programmes provided under arrangements made by the Government. In Northern Ireland the Jobskills Programme for unwaged trainees is being replaced by a new programme to be known as "Training for Success: Professional and Technical Training". In England the title "Programme led Pathways " is to change to "Programme led Apprenticeships".

The Regulations amend the definition of approved training for both Child Benefit and Child Tax Credit to reflect the changes in training provision.

The amendments to regulations 14 and 15 of the Child Benefit (General) Regulations 2006 allow a person with entitlement to Child Benefit to make an election, or to relinquish an election, to their entitlement in favour of another by telephone as well as in writing.

The remaining amendments are minor technical amendments to the Child Benefit (General) Regulations 2006.

The amendments to regulations 21 and 25 replace references to "recognised educational establishment" with references to "school or college".

The amendments to regulations 23 and 27 limit the requirement for a person to have a right to reside in the United Kingdom to claims made on or after 1st May 2004.

The amendments to regulations 30, 31and 32 make corrections to the reference to the primary power under which they are made, and restore the position to what it was before the legislation came into force in April 2006.

The amendment to regulation 34 is a minor technical amendment to correct the omission of the words "qualifying young person".

The Child Tax Credit (Amendment) Regulations 2007 also make a technical amendment to regulation 3 of the Child Tax Credit Regulations 2002 updates the reference to the Child Benefit (General) Regulations 2006 and clarifies the circumstances in which a person is responsible for a child or qualifying young person in prescribed residential accommodation.

8. Impact

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

The change ensures that the original policy intention of allowing young people to undertake a third year of non-advanced education or training is met. Therefore the impact on the Exchequer is minimal.

All other changes are minor technical amendments only.

There are no start-up administrative costs for the Tax Credits, Child Benefit and Guardian's Allowance schemes.

9. Contact

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