STATUTORY INSTRUMENTS

2010 No. 836

CHILD TRUST FUNDS

The Child Trust Funds (Amendment No. 2) Regulations 2010

Made - - - -	*17th March 2010*
Coming into force - -	*1st April 2010*

A draft of this instrument has been laid before Parliament in accordance with section 28(5) of the Child Trust Funds Act 2004(**a**) and approved by a resolution of each House of Parliament.

Accordingly, the Treasury make the following Regulations in exercise of the powers conferred by sections 10, 11, 15 and 28(1) to (4) of the Child Trust Funds Act 2004:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Child Trust Funds (Amendment No. 2) Regulations 2010 and shall come into force on 1st April 2010.

(2) These Regulations have effect where a child falls within the terms of regulation 7B (inserted by regulation 3) for a year of assessment commencing on or after 6th April 2009.

Amendments to the Child Trust Funds Regulations 2004

2. The Child Trust Funds Regulations 2004(**b**) are amended as follows.

3. After regulation 7A (age 7 payments)(**c**) insert—

"Yearly disability payments

7B.—(1) A further contribution under section 10 of the Act is due for any eligible child who is entitled in any year to a disability living allowance, in accordance with paragraphs (2) to (4).

(2) Where it has been determined that the child is entitled to the care component of a disability living allowance at the highest weekly rate (see section 72(4)(a) of either the Social Security Contributions and Benefits Act 1992(**d**) or the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**e**)), at any time in the year (whether it is paid or not), the contribution payable for the year shall be £200.

(3) In any other case where it has been determined that the child is entitled to a disability living allowance at any time in the year (whether it is paid or not), the contribution payable for the year shall be £100.

(**a**) 2004 c. 6.
(**b**) S.I. 2004/1450: relevantly amended by S.I. 2005/383 and 2009/475.
(**c**) Regulation 7A was inserted by S.I. 2009/475.
(**d**) 1992 c. 4.
(**e**) 1992 c. 7.

(4) This regulation shall apply until 5th April 2018.

(5) Her Majesty's Revenue and Customs must inform the account provider holding the child's account where an amount is payable to that account under this regulation.

(6) On receipt of each further contribution from Her Majesty's Revenue and Customs, the account provider must credit the child's account with the amount of the payment."

4. In regulation 22(2) (recoupment of Inland Revenue contributions to void accounts and other accounts)(**a**) in paragraph (c) for "or 7A(5)" substitute ", 7A(5) or 7B(1)".

5. In regulation 30(6)(c) (fortnightly claim and financial returns)(**b**) for "or regulation 7A" substitute ", regulation 7A, or regulation 7B(2) or (3)".

Tony Cunningham
Dave Watts
17th March 2010 Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) Regulation 22(2)(c) was inserted by S.I. 2005/383 and amended by S.I. 2009/475.
(**b**) Regulation 30(6)(c) was inserted by S.I. 2005/383 and amended by S.I. 2009/475.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Child Trust Funds Regulations 2004 (S.I. 2004/1450: "the principal Regulations"). The main effect of these Regulations is to provide for yearly government contributions into the Child Trust Fund accounts of disabled and severely disabled children.

Regulation 1 provides for citation, commencement and effect. Regulation 1(2) provides that entitlement to the contributions applies to children who became entitled to a disability living allowance on or after 6th April 2009. Regulation 2 provides for amendment of the principal Regulations.

Regulation 3 makes provision for the yearly disability payments (of £200 where the child is entitled to the care component of disability allowance at the highest rate, and otherwise of £100). The provision rests on "entitlement" to disability living allowance (rather than payment) in order to cover certain children in hospital in respect of whom payment is not made, but who would remain formally entitled to DLA.

Regulation 4 makes a small consequential amendment to the provisions in the principal Regulations, for recoupment of government contributions which are later found not to have been due.

Regulation 5 (and the inserted regulation 7B(5) and (6)) make provision for (a) HMRC to inform account providers that a child is entitled to a payment under regulation 7B (at either level) (b) the provider to claim the further contribution in their fortnightly electronic claim to HMRC and (c) for the crediting of the further contribution to the child's Child Trust Fund account.

A full and final Impact Assessment has not been provided for this instrument as it has a negligible impact on business, and no impact on charities or voluntary bodies.

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