Draft Regulations laid before Parliament under section 66(1) and (2)(a) of the Tax Credits Act 2002, sections 150(2) and 190(1) of the Social Security Administration Act 1992 and section 166(10A) of the Social Security Administration (Northern Ireland) Act 1992 for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2022 No.

SOCIAL SECURITY

TAX CREDITS

The Tax Credits, Child Benefit and Guardian's Allowance Up-rating Regulations 2022

Made - - - - ***

Coming into force in accordance with regulation 1(2) and (3)

Following a review under section 41(1) of the Tax Credits Act 2002(**a**) in the tax year 2021-2022 of the amounts specified in section 41(2) of that Act, the Treasury have determined that Regulations should be made prescribing increases in those amounts.

Following a review of the sums specified in section 150(1)(a)(i) and 150(1)(i) of the Social Security Administration Act 1992(**b**) in the tax year 2021-2022, 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 Social Security Administration Act 1992 and make corresponding provision for Northern Ireland in accordance with section 132(1) of the Social Security Administration (Northern Ireland) Act 1992(**c**).

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) and 190(1) of the Social Security Administration Act 1992, and section 166(10A)(**d**) of the Social Security Administration (Northern Ireland) Act 1992, and approved by a resolution of each House of Parliament.

The Treasury make the following Regulations in exercise of the powers conferred by sections 7, 9, 11, 13, 65(1) and 67 of the Tax Credits Act 2002(**e**), section 150(2), (5), (9) and (10)(a)(i) of the

(**a**) 2002 c. 21. Section 41 was repealed by Part I of Schedule 14 to the Welfare Reform Act 2012 (c. 5) as commenced by S.I. 2019/167 (C. 6). However this repeal is subject to the savings provision in article 3 of that instrument under which tax credits continue to subsist for specific categories of claimant.

(**b**) 1992 c. 5. Section 150(1)(a)(i) was substituted by section 6(2)(a) of the Pensions Act 2007 (c. 22). The sums reviewed under section 150(1)(a)(i) and 150(1)(i) which are relevant to the making of these Regulations are the weekly rates of guardian's allowance and child benefit respectively.

(**c**) 1992 c. 8. Section 132(1) was amended by paragraph 9 of Schedule 4 to the Tax Credits Act 2002.

(**d**) Subsection (10A) was inserted by S.I. 1996/671 and subsequently amended by paragraph 11(3) of Schedule 4 to the Tax Credits Act 2002.

(**e**) Section 9 was amended by section 13 of the Welfare Reform and Work Act 2012 (c. 7). Sections 7, 9, 11 and 13 were repealed by Part 1 of Schedule 14 to the Welfare Reform Act 2012 as commenced by S.I. 2019/167 (C. 6). However this

Social Security Administration Act 1992(**a**), and section 132(1) of the Social Security Administration (Northern Ireland) Act 1992 and now exercisable by them(**b**).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Tax Credits, Child Benefit and Guardian's Allowance Up-rating Regulations 2022.

(2) This regulation and regulations 2, 3 and 4 come into force on 6th April 2022.

(3) Regulations 5, 6 and 7 come into force on 11th April 2022.

(4) Regulations 2, 3 and 4 have effect in relation to awards of tax credits for the tax year beginning on 6th April 2022 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(**c**) is amended as follows—

(a) in item 1 (basic element), in the second column for "£2,005" substitute "£2,070";

(b) in item 2 (disability element), in the second column for "£3,240" substitute "£3,345";

(c) in item 3 (30 hour element), in the second column for "£830" substitute "£860";

(d) in items 4 (second adult element) and 5 (lone parent element), in the second column for "£2,060" substitute "£2,125"; and

(e) in item 6 (severe disability element), in the second column for "£1,400" substitute "£1,445".

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(**d**) is amended as follows—

(a) in paragraph (4)(c) and (4)(f) for "£2,845" substitute "£2,935";

(b) in paragraph (5)—

(i) in sub-paragraph (a) for "£3,435" substitute "£3,545"; and

(ii) in sub-paragraph (b) for "£4,825" substitute "£4,975".

Amendment of the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002

4.—(1) The Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002(**e**) are amended as follows.

---

repeal is subject to the savings provision in article 3 of that instrument under which tax credits continue to subsist for certain categories of claimant. Section 11(6)(b) and (c) were substituted by paragraph 145 of Schedule 24 of the Civil Partnership Act 2004 (c. 33). Section 67 is cited for the meaning given to the word "prescribed", namely "prescribed by regulations".

(**a**) Section 150(10)(a)(i) was amended by paragraph 21 of Schedule 1 to the Pensions Act 2007.

(**b**) The functions of the Secretary of State under Part 10 of the Social Security and Administration Act 1992 so far as relating to child benefit and guardian's allowance were transferred to the Treasury by section 49(3) of the Tax Credits Act 2002. The functions of the Department for Social Development (renamed as the Department for Communities by the Departments Act (Northern Ireland) 2016 (c. 5)) in respect of child benefit and guardian's allowance under section 132 of the Social Security Administration (Northern Ireland) Act 1992 were transferred to the Treasury by section 49(4) of the Tax Credits Act 2002.

(**c**) S.I. 2002/2005, as amended by S.I. 2013/750, S.I. 2014/384, S.I. 2015/567, S.I. 2015/451, S.I. 2017/406, S.I. 2018/344, S.I. 2019/252, S.I. 2020/298, S.I. 2021/156 and as modified by section 77(1) of the Coronavirus Act 2020 (c. 7).

(**d**) S.I. 2002/2007, as amended by S.I. 2017/387, S.I. 2017/406, S.I. 2018/344, S.I. 2019/252, S.I. 2020/298 and S.I. 2021/156. There are other amending instruments but none is relevant.

(**e**) S.I. 2002/2008, as amended by S.I. 2008/796, S.I. 2012/849, S.I. 2014/845, S.I. 2015/451, S.I. 2020/298 and S.I. 2021/156. There are other amending instruments but none is relevant.

(2) In regulation 3 (manner in which amounts to be determined for the purposes of section 7(1)(a) of the Act)—

(a) in paragraph (2) for "£6,565" substitute "£6,770"; and

(b) in paragraph (3) for "£16,480" substitute "£17,005".

(3) In regulation 7(3) (determination of rate of working tax credit) in Step 4 for "£6,565" substitute "£6,770".

(4) In regulation 8(3) (determination of rate of child tax credit) in Step 4 for "£16,480" substitute "£17,005".

Amendment of the Child Benefit (Rates) Regulations 2006

5. Regulation 2(1) (rate of child benefit) of the Child Benefit (Rates) Regulations 2006(**a**) is amended as follows—

(a) in sub-paragraph (a) (enhanced rate) for "£21.15" substitute "£21.80"; and

(b) in sub-paragraph (b) (other cases) for "£14.00" substitute "£14.45".

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

6. In paragraph 5 of Part 3 of Schedule 4 to the Social Security Contributions and Benefits Act 1992(**b**) (weekly rate of guardian's allowance) for "£18.00" substitute "£18.55".

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

7. In paragraph 5 of Part 3 of Schedule 4 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992(**c**) (weekly rate of guardian's allowance) for "£18.00" substitute "£18.55".

Name
Name
Date Two of the Lords Commissioners of Her Majesty's Treasury

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 Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002 (S.I. 2002/2008); the Child Benefit (Rates) Regulations 2006 (S.I. 2006/965); 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 different elements of working tax credit. It increases the basic element from £2,005 to £2,070, the disability element from £3,240 to £3,345, the 30 hour element from £830 to £860, the second adult element and the lone parent element from £2,060 to £2,125, and the severe disability element from £1,400 to £1,445.

Regulation 3 increases the maximum rate of different elements of child tax credit. It increases the individual element for a child or qualifying young person from £2,845 to £2,935. It increases the disability element from £3,435 to £3,545 for a disabled child or qualifying young person and from £4,825 to £4,975 for a severely disabled child or qualifying young person.

(**a**) S.I. 2006/965. Regulation 2 was last amended by S.I. 2021/156.
(**b**) 1992 c. 4. This paragraph was last amended by S.I. 2021/156.
(**c**) 1992 c. 7. This paragraph was last amended by S.I. 2021/156.

Regulation 4 increases the income threshold (the level of household income below which the full award is granted) from £6,565 to £6,770 for working tax credit and from £16,480 to £17,005 for child tax credit. It also amends the formulae to calculate the rates of working tax credit and child tax credit to account for the increase in the income thresholds.

Regulation 5 increases the weekly rate of child benefit from £21.15 to £21.80 (enhanced rate) and from £14.00 to £14.45 (other rate).

Regulations 6 and 7 increase the weekly rate of guardian's allowance from £18.00 to £18.55.

The increase in the rates of child benefit and guardian's allowance take effect from the week beginning with the first Monday in the tax year 2022-2023. The increase in the rates of tax credits take effect from the start of the tax year 2022-2023.

In accordance with section 150(8) of the Social Security Administration Act, a copy of the report of the Government Actuary giving his opinion on the likely effect on the National Insurance Fund of the making of this Order (in relation to the increases made to guardian's allowance) was laid before Parliament with the draft Order.

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

© Crown copyright 2022

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£4.90

http://www.legislation.gov.uk/id/ukdsi/2022/9780348231205

ISBN 978-0-34-823120-5

9 780348 231205