

JOBSEEKER'S ALLOWANCE AND INCOME SUPPORT – TAX CREDITS, CHANGES FROM DECEMBER 2011

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INTRODUCTION

1. This memo is the latest in a series of memos containing guidance for decision makers following the introduction of New Tax Credits. This particular memo should be read in conjunction with DMG Memo Vol 4/37, 5/30 & 6/23 and gives guidance on a new appropriate date for the abolition of child elements within Income Support and Jobseeker's Allowance.
2. The changes are introduced by the Tax Credit Act 2002 (Further Commencement and Transitional Provisions) Order 2011 (S.I. 2011 No. 2910).

BACKGROUND

3. From April 2003 one of the new tax credits introduced was Child Tax Credit¹ and this began to be paid to families with children. It was expected that by 6.4.05 all child elements of Income Support and income-based Jobseeker's Allowance would have migrated to Child Tax Credit. However, this was delayed and the expected end date of migration (and final abolition of all child elements) was changed from 6.4.05 to 31.12.06, then to 31.12.08 and then to 31.12.11 by a series of amendments².

¹ TC Act 02;

² Tax Credit Act 2002 (Commencement No. 4, Transitional Provisions and Savings) (Amendment) Order 2005; Tax Credit Act 2002 (Commencement and Transitional Provisions) Order 2006; Tax Credit Act 2002 (Transitional Provisions) Order 2008

CHANGES

4. A continued delay with the start of migration requires that the date for the abolition of child elements be extended again. The changes confirm that the final date for the abolition of child elements of Income Support and income-based Jobseeker's Allowance is now to be 31.12.14¹.

¹ *Tax Credit Act 2002 (Commencement No. 4, Transitional Provisions and Savings) Order 2003, art 2(5)*

ANNOTATIONS

Please annotate the number of this memo (DMG Memo Vol 4/109) against the following DMG paragraphs:

23028, 23039, 23241, 23296 and DMG Memo Vol 4/37, 5/30 & 6/23.

CONTACTS

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