

**The Coronavirus Act 2020 Functions of Her Majesty's Revenue and Customs (Covid-19 support scheme: working households receiving tax credits) (Extension) Direction**

**DIRECTION**

The Treasury, in exercise of the powers conferred by section 76 of the Coronavirus Act 2020, give the following direction:

1. This direction applies to Her Majesty's Revenue and Customs.
2. This direction extends the Covid-19 support scheme: working households receiving tax credits ("the Scheme"), which requires Her Majesty's Revenue and Customs to be responsible for the payment and management of amounts to be paid under the Scheme, as set out in the schedule to the initial direction made on 7 April 2021.
3. The initial direction continues to have effect but is extended so that the Scheme is extended as set out in the schedule to this direction.
4. This direction has effect for the duration of the Scheme.

Signed by two of the Lords Commissioners of Her Majesty's Treasury



Her Majesty's Treasury

2 September 2021



Her Majesty's Treasury

3 September 2021

## SCHEDULE

### The Covid-19 support scheme: working households receiving tax credits (extension)

#### Introduction

1. This schedule extends the Covid-19 support scheme: working households receiving tax credits.

#### Purpose of the Scheme and this extension

2. The purpose of the Scheme is to provide for a single support payment of £500 to be made to persons entitled to working tax credit for the tax year 2020-21 whose employment income may have been adversely affected by the health, social and economic emergency in the United Kingdom resulting from coronavirus and coronavirus disease.
3. The purpose of this extension to the Scheme is to provide for a support payment of £500 to be made to persons entitled to working tax credit for a period which includes 2 March 2021, but who did not qualify to receive a support payment under the Scheme as set out in the schedule to the initial direction.

#### Application of Scheme provisions to this extension

4. All the provisions of the Scheme apply to this extension as they apply in relation to the Scheme and to payments under the Scheme, except where the context otherwise provides.

#### HMRC to make a support payment

5. Before the end of the tax year 2022-23, HMRC must make a support payment under this extension to the Scheme to a person who is a qualifying person for the purposes of this extension or, where an award of a tax credit is made on a joint claim, to one such qualifying person who is a member of a couple.

#### Entitlement to support payment: qualifying person for the purposes of this extension to the Scheme

6. A qualifying person for the purposes of this extension to the Scheme, is a person who:
  - (a) for a period that includes 2 March 2021, is entitled under a final decision to-
    - i. working tax credit at a rate other than a nil rate, or
    - ii. working tax credit at a nil rate and child tax credit at a rate other than a nil rate, and
  - (b) is not entitled to receive a support payment under the Scheme as set out in the schedule to the initial direction.
7. For the purposes of paragraph 6, a person is not entitled to a tax credit "for a period that includes 2 March 2021" if, before 2 March 2021 the person's award to a tax credit-
  - (a) was terminated-
    - i. following a decision under section 16 of the 2002 Act, which has not subsequently been cancelled on a review under section 21A or reversed on appeal under section 38 of that Act,

- ii. under regulation 8, 46 or 47 of the Universal Credit (Transitional Provisions) Regulations 2014, or
  - iii. under section 30 of the Childcare Payments Act 2014, or
- (b) became not payable, or not payable for a disqualification period that includes 2 March 2021, following a decision under section 36A or 36C of the 2002 Act.
8. A person is not a qualifying person for the purposes of this extension if the person, or either member of a couple of which that person is a member, received an award of tax credits for the tax year 2020-21 as a result of knowingly being concerned in fraudulent activity undertaken with a view to obtaining that award or a support payment.

### **Interpretation**

- 9.
- (a) Terms used in this direction and schedule have the same meaning as in the Schedule to the initial direction;
- (b) additional terms used in this direction and schedule have the following meanings-
- “disqualification period” has the meaning given in either section 36A(6) or 36C(6) of the 2002 Act as is applicable to the case coming within paragraph 7(b);
- “final decision” means a decision made in relation to the tax year 2020-21-
- i. under section 18(1), 18(5), 18(6), 18(9), 19(3), 20(1) or 20(4) of the 2002 Act,
  - ii. under regulations made under section 21 of that Act relating to a decision within paragraph i,
  - iii. within paragraph i or ii as varied or cancelled under section 21A(4)(b) of that Act, or
  - iv. on an appeal against a decision within paragraph i, ii or iii;

the “initial direction” means the Coronavirus Act 2020 Functions of Her Majesty’s Revenue and Customs (Covid-19 support scheme: working households receiving tax credits) Direction, made on 7 April 2021.

“the tax year 2022-23” means the period beginning with 6 April 2022 and ending with 5 April 2023.