

**JOBSEEKER'S ALLOWANCE AND INCOME SUPPORT -
TAX CREDITS, CHANGES FROM SEPTEMBER 2005**

Contents	Paragraphs
Introduction	1 - 2
Background	3 - 5
Applicable amounts	6
Existing claims	7 - 8
Annotations	
Contacts	

INTRODUCTION

- 1 This memo is the fifth in a series of memos containing guidance for DMs following the introduction of New Tax Credits. This particular memo should be read in conjunction with memo DMG JSA/IS 64 and gives guidance on a new appropriate date for the abolition of child elements within IS and JSA.
- 2 The changes are introduced by the Social Security (Tax Credit) Amendment Regulations 2005 (SI 2005 No. 2294) and take effect from 8.9.05¹.

1 SS (WTC & CTC)(Cpl Amdts)Regs 2003, reg 1

BACKGROUND

- 3 From April 2003 one of the new tax credits introduced was Child Tax Credit (CTC) and this began to be paid to families with children. It was expected that by April 2005 all child elements of IS and JSA(IB) would have migrated to CTC but this was delayed and the expected end date of migration (and final abolition of all child elements) is now December 2006.
- 4 The intention was that no new awards of the IS/JSA child elements should be made from 6.4.04. But a consequence of the delay was that child elements of IS and

JSA(IB) could still be awarded on all new claims made prior to the December 2006 date where the claimant did not have an award of CTC.

- 5 The changes confirm the abolition of child elements of IS and JSA(IB) for all new claims made on or after 8.9.05.

APPLICABLE AMOUNTS

- 6 The applicable amounts and premiums in respect of children and young people will no longer be available where the claimant

1. makes a new claim for IS or JSA(IB) **and**
2. that claim is made on or after 8.9.05¹.

1 SS (WTC & CTC) (Cpl Amdts) Regs 2003, reg 1(4A) and (8A)

Example 1

Kevin makes a claim for benefit from 26.9.05 for himself his partner and child. He has not claimed CTC. Kevin is entitled to £88.15 benefit in respect of himself and his partner; he is not entitled to any child elements.

Note: for cases that fall within para 6 the date described will become the appropriate date for the purposes of DMG memo JSA/IS 64 para 5.

Existing claims

- 7 Child related applicable amounts and premiums will not be paid if the claimant
1. does not have a child or young person as part of their family on 8.9.05 **and**
 2. subsequently a child or young person becomes a member of the claimant's family¹.

1 reg 1 (4B) and (8B)

Example

Betty is in receipt of IS, she is single with an expected date of confinement of 19.9.05. Her child is born on 15.9.05. Betty is not entitled to an applicable amount or premium in respect of her child.

- 8 Child related applicable amounts and premiums will be paid where

1. the claimant already has an IS or JSA(IB) award that includes child allowances
and
2. a further child or young person becomes a member of the claimant's family¹.

1 SS (WTC & CTC) (Cpl Amdts) Regs 2003, reg 1(4C) and (8C)

Example

Martin receives benefit made up of £88.15 in respect of himself and his partner, £43.88 for his daughter and £16.10 family premium. Another child is born on 29.9.05. Martin's entitlement to benefit now includes a further £43.88 in respect of the new child.

ANNOTATIONS

Please annotate the number of this memo (DMG JSA/IS 106) against the following DMG paragraphs 23028, 23039, 23240, 23296, DMG memo JSA/IS 64.

CONTACTS

If you have any queries about this memo, please write to ACI Division, Room GS36, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in DMG Letter 05/04.

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