

**The Coronavirus Act 2020 Functions of Her Majesty's Revenue and Customs (Covid-19 support scheme: working households receiving tax credits) 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 requires Her Majesty's Revenue and Customs to be responsible for the payment and management of amounts to be paid under the scheme set out in the Schedule to this direction (the Covid-19 support scheme: working households receiving tax credits).
3. This direction has effect for the duration of the scheme.

Signed by the Chancellor of the Exchequer



RISHI SUNAK  
Her Majesty's Treasury

06 April 2021



<sup>x</sup> Lords Commissioner of the Treasury

07 April 2021

## SCHEDULE

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

#### Introduction

1. This Schedule sets out a scheme to be known as the Covid-19 support scheme: working households receiving tax credits (“the Scheme”).

#### Purpose of the Scheme

2. The purpose of the Scheme is to provide for a single payment of £500 (a “support payment”) to be made to qualifying persons awarded 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.

#### HMRC to make a support payment

3. HMRC must make a support payment to a qualifying person or, where the current award of a tax credit is made on a joint claim, to one of the qualifying persons who are members of a couple, as soon as reasonably practicable in the tax year 2021-22.

#### Entitlement to support payment: qualifying person

4. A qualifying person is a person who has, on 2 March 2021-
  - a. a current award of working tax credit at a rate other than a nil rate, or
  - b. a current award of working tax credit at a nil rate and a current award of child tax credit at a rate other than a nil rate.
5. A person is not a qualifying person if the person, or either member of a couple of which that person is a member, received a current award as a result of knowingly being concerned in fraudulent activity undertaken with a view to obtaining a current award or a support payment.
6. For the purposes of the Scheme, a “current award” is an award of a tax credit for the tax year 2020-21 which has not, before 2 March 2021-
  - a. been terminated-
    - i. following a decision under section 16 of the 2002 Act,
    - ii. under regulation 8, 46 or 47 of the Universal Credit (Transitional Provisions) Regulations 2014,<sup>1</sup> or
    - iii. under section 30 of the Childcare Payments Act 2014,<sup>2</sup> or

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<sup>1</sup> S.I. 2014/1230.

<sup>2</sup> C. 28.

- b. become not payable, or not payable for a period that includes 2 March 2021, following a decision under section 36A or 36C of the 2002 Act.

### **Notification that person is eligible**

7. HMRC may notify a qualifying person that the person is entitled to receive a support payment under the Scheme.

### **Payment**

8. A support payment must be paid-
  - a. where the qualifying person is receiving one tax credit, into the bank account or other account notified to HMRC by that person in relation to the tax credit,
  - b. where a qualifying person is a member of a couple receiving one tax credit, into the bank account or other account notified to HMRC by the couple in relation to the tax credit,
  - c. where the qualifying person is receiving both working tax credit and child tax credit, into the bank account or other account notified to HMRC by that person in relation to the child tax credit,
  - d. where the qualifying person is a member of a couple receiving both working tax credit and child tax credit, into the bank account or other account notified to HMRC by the couple in relation to the child tax credit.

### **Entitlement under other schemes**

9. Entitlement to a payment under the Scheme is without prejudice to any entitlement to a payment under any similar scheme arising from a direction under section 76 of the Coronavirus Act 2020.

### **Interpretation**

10. In this Schedule-

“the 2002 Act” means the Tax Credits Act 2002 (chapter 21);

“child tax credit” means the tax credit referred to in section 1(1)(a) of the 2002 Act and known as child tax credit;

“couple” has the meaning given in section 3(5A) of the 2002 Act;

“HMRC” means Her Majesty’s Revenue and Customs;

“joint claim” means a claim for a tax credit under section 3(3)(a) of the 2002 Act;

“the Scheme” means the Covid-19 support scheme: working households receiving tax credits, set out in this Schedule;

“support payment” means the single payment of £500 payable to a qualifying person under the Scheme;

“the tax year 2020-21” means the period beginning with 6 April 2020 and ending with 5 April 2021;

“the tax year 2021-22” means the period beginning with 6 April 2021 and ending with 5 April 2022;

“working tax credit” means the tax credit referred to in section 1(1)(b) of the 2002 Act and known as working tax credit.