

**JOBSEEKER'S ALLOWANCE AND INCOME SUPPORT –
TAX CREDITS, CHANGES FROM APRIL 2005**

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INTRODUCTION

- 1 This memo is the fourth in a series of memos containing guidance for DMs following the introduction of New Tax Credits. This particular memo gives guidance on a recent change made to IS and JSA law.
- 2 The change is introduced by the Tax Credits Act 2002 (Commencement No 4, Transitional Provisions and Savings) (Amendment) Order 2005 (SI 2005 No 1106). The change takes effect from 6.4.05.

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 CTC would have replaced all child elements of IS and JSA(IB).
- 4 The migration of child elements of IS and JSA(IB) to CTC has been delayed, consequently the date for the abolition of child elements of IS and JSA(IB) has changed.
- 5 All child elements of IS and JSA(IB) will now cease to exist¹ from 31.12.06.

1 Tax Credits 2002 (Commencement No. 4, Transitional and Savings) Order 2003, Art 3(5)

APPLICABLE AMOUNTS

The guidance in memo DMG JSA/IS 64, other than the end date for child elements, is still relevant.

ANNOTATIONS

Please annotate the number of this memo (DMG JSA/IS 96) against Memo DMG 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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