STATUTORY INSTRUMENTS

2018 No. 87

SAVINGS ACCOUNTS

The Help–to–Save Accounts Regulations 2018

Made - - - - 24th January 2018

Coming into force in accordance with Regulation 1.

The Treasury make the following Regulations in exercise of the powers conferred by sections 4(6), 6(3) and 6(4) of and paragraphs 3(3), (6)(a) and (7), 4(2), 5, 6, 7, 10(1)(b), (3) and (4), 11(2) and (3), 12, 14, 15, 16 and 18 of Schedule 2 to, the Savings (Government Contributions) Act 2017(**1**).

A draft of this instrument was laid before, and approved by a resolution of, the House of Commons in accordance with section 4(2) of the Savings (Government Contributions) Act 2017.

Citation and commencement

1. These Regulations may be cited as the Help–to–Save Accounts Regulations 2018 and come into force on the day after they are made.

Interpretation

2. In these Regulations—

(a) the following expressions have the meanings given in the Savings (Government Contributions) Act 2017 ("the Act")—

"authorised account provider" (see paragraph 9(2)(c) of Schedule 2);

"benefit entitlement condition" (see paragraphs 5,6 and 8(1)(a) of Schedule 2);

"bonus" (see paragraph 1 of Schedule 2);

"eligibility reference dates" (see paragraph 3(4) of Schedule 2);

"eligible person" (see paragraph 4 of Schedule 2);

"first benefit entitlement condition" (see paragraph 5 of Schedule 2);

"Help-to-Save account" (see paragraph 3 of Schedule 2);

"HMRC" (see section 5(1) of the Act);

"maturity period" (see paragraph 3(6) of Schedule 2);

"maximum monthly amount" (see paragraph 10(2) of Schedule 2);

(**1**) 2017 c. 2.

"second benefit entitlement condition" (see paragraph 6 of Schedule 2);

"UK connection condition" (see paragraph 7 of Schedule 2); and

(b) the following expressions have the following meanings—

"account holder", "applicant" and "agreed terms" have the meaning given in regulation 11;

"Management Act" means the Taxes Management Act 1970(**2**);

"Schedule 2" means Schedule 2 to the Act;

"tax year" means a period beginning with 6th April in one year and ending with 5th April in the next.

Eligible persons – entitlement to working tax credit or universal credit

3.—(1) This regulation specifies the conditions to be met by an individual for the purposes of meeting the first benefit entitlement condition and the second benefit entitlement condition.

(2) The specified condition relating to the first benefit entitlement condition is that on each of the eligibility reference dates—

Condition 1
the individual (whether alone or with another person) has a current award validly obtained of working tax credit (not being at a nil rate) under section 14 of the Tax Credits Act; or

Condition 2
the individual (whether alone or with another person) has a current award validly obtained under section 14 of the Tax Credits Act of working tax credit at a nil rate and of child tax credit at a rate other than a nil rate; or

Condition 3

(a) the individual would have met either Condition 1 or Condition 2 if the reference in the condition to "has" were a reference to "had, immediately before the end of the preceding tax year"; and

(b) payments are in fact being made under section 24(4) of the Tax Credits Act and are treated by section 24(5) of that Act as if they were payments of working tax credit or child tax credit that the individual (whether alone or with another person) is entitled to claim for the current tax year.

(3) The specified condition relating to the second benefit entitlement condition is that on each of the eligibility reference dates—

(a) the individual (as a single claimant or as a joint claimant) is in receipt of a current award validly obtained of universal credit (not being a nil award), and

(b) has earned income in the assessment period immediately preceding the first eligibility reference date equal to or greater than the equivalent of 16 hours per week at the national living wage rate.

(4) A benefit entitlement condition is to be treated as met on any day if it would have been met but for an error or delay on the part of HMRC.

(5) For the purposes of paragraph (2), "a current award" includes revisions of the award (otherwise than to revoke the award) under section 15 or 16 of the Tax Credits Act.

(6) In this regulation—

(**2**) 1970 c. 9.

(a) "working tax credit", "child tax credit" and "tax credit" have the meanings given by the Tax Credits Act;

(b) "assessment period" and "earned income" have the meanings given by the Universal Credit Regulations 2013(**3**) or, in the case of Northern Ireland, the Welfare Reform (Northern Ireland) Order 2015(**4**);

(c) "joint claimant", "single claimant", and "universal credit" have the meanings given by the Welfare Reform Act 2012 (**5**) or, in the case of Northern Ireland, the Welfare Reform (Northern Ireland) Order 2015;

(d) "national living wage rate" has the meaning given by the National Minimum Wage Regulations 2015 (**6**); and

(e) "Tax Credits Act" means the Tax Credits Act 2002 (**7**).

Eligible persons-presence in the United Kingdom

4. An individual is to be treated as being or not being in the United Kingdom at any time where the individual met —

(a) the first benefit entitlement condition, and at such time the individual—

(i) is so treated under regulations 3 to 6 (as the case requires) of the Tax Credits (Residence) Regulations 2003(**8**); or

(ii) would be so treated if those regulations continued to apply to the individual; or

(b) the second benefit entitlement condition, and at such time the individual—

(i) is so treated under regulations 9 to 11 (as the case requires) of the Universal Credit Regulations 2013(**9**) or the Universal Credit Regulations (Northern Ireland) 2016(**10**); or

(ii) would be so treated if those regulations continued to apply to the individual.

Trial

5.—(1) The duty under section 2 of the Act does not apply to Help-to-Save accounts opened before 16thOctober 2018 unless the individual opening the account is an eligible person taking part in the trial.

(2) For the purposes of this regulation "the trial" means a test of all the systems required to deliver Help-to-Save accounts, which will run from the date of the coming into force of these Regulations to 15th October 2018.

Account holder not being in the United Kingdom

6.—(1) An account holder, who at any time does not meet the UK connection condition, may retain the benefits of the Help-to-Save account subsisting at that time.

(2) For as long as an account holder does not meet the UK connection condition, the account holder must not pay any amount into the Help-to-Save account and the maximum monthly amount is to be nil.

(**3**) S.I. 2013/376.
(**4**) S.I. 2015/2006 (N.I. 1).
(**5**) 2012 c. 5.
(**6**) S.I. 2015/621. Relevant amending instrument is S.I. 2016/68.
(**7**) 2002 c. 21.
(**8**) S.I. 2003/654.
(**9**) S.I. 2013/376.
(**10**) SR (N.I.) 2016/216.

(3) An account holder must inform the authorised account provider within the period specified in paragraph (6) if the account holder is absent from the United Kingdom so as to cease to meet the UK connection condition.

(4) In the event of failure by an account holder to comply with the duty under paragraph (3), HMRC may impose a penalty on the account holder which must not exceed £300.

(5) The penalty imposed may be deducted by the authorised account provider from amounts to be paid by way of bonus to the account holder and, if so deducted, must be accounted for by the authorised account provider to HMRC.

(6) The period specified for the purposes of paragraph (3) is 14 days beginning with the first day on which the UK connection condition is not met.

Opening of Help-to-Save Account

7. A Help-to-Save account is opened with an authorised account provider on the date when the applicant enters into agreed terms with the authorised account provider, which includes the application and declaration required by regulation 8(2)(b).

Application to open a Help-to-Save account

8.—(1) An application by an individual to open a Help-to-Save account with an authorised account provider must be made to HMRC and must satisfy the conditions in paragraph (2).

(2) An application must—

(a) contain such information to be given to such persons as HMRC may specify; and

(b) incorporate a true declaration by the applicant that—

(i) the applicant has not previously opened a Help-to-Save account;

(ii) the applicant is an eligible person who is entitled to hold a Help-to-Save account;

(iii) the applicant will inform the authorised account provider if the applicant is absent from the United Kingdom so as to cease to meet the UK connection condition; and

(iv) the information contained in the application is true and complete.

(3) HMRC must decline to accept an application if it has reason to believe that the applicant's declaration or application is untrue, or contains matters which are untrue, and must notify the applicant within 21 days of the date of the application with reasons accordingly.

(4) Regulation 19 applies to any notification under this regulation.

(5) This regulation is subject to regulations 9 and 10.

Circumstances where eligible person unable to act—receivers etc.

9.—(1) In the circumstances specified in paragraph (2) a person mentioned in sub-paragraph (b) of that paragraph may act for the person mentioned in sub-paragraph (a) of that paragraph for the purposes of—

(a) making a declaration under regulation 8(2)(b);

(b) opening a Help-to-Save account;

(c) managing a Help-to-Save account.

(2) The circumstances specified in this paragraph are where—

(a) a person is an eligible person but is unable for the time being to open and manage a Help-to-Save account; and

(b) there are any of the following—

(i) a receiver appointed by the Court of Protection with power to open and manage a Help-to-Save account on behalf of the person;

(ii) in Scotland, a tutor, curator or other guardian acting or appointed in terms of law who is administering the estate of the person; or

(iii) in Northern Ireland, a controller appointed by the High Court, with power to open and manage a Help-to-Save account on behalf of the person.

Circumstances where eligible person unable to act-other appointed persons

10.—(1) In the circumstances specified in paragraph (2) a person mentioned in sub-paragraph (b) of that paragraph may act for the person mentioned in sub-paragraph (a) of that paragraph for the purposes of—

(a) making a declaration under regulation 8(2)(b);

(b) opening a Help-to-Save account;

(c) managing a Help-to-Save account.

(2) The circumstances specified in this paragraph are where—

(a) a person is an eligible person but is unable for the time being to open and manage a Help-to-Save account; and

(b) in relation to that person, there is a person appointed under—

(i) regulation 33(1) of the Social Security (Claims and Payments) Regulations 1987(**11**);

(ii) regulation 33(1) of the Social Security (Claims and Payments) Regulations (Northern Ireland) 1987(**12**); or

(iii) paragraph (3).

(3) Where no person mentioned in regulation 10(2)(b)(i) or (ii) has been appointed in relation to the person who is unable to act, HMRC may appoint under this paragraph a person who—

(a) if a natural person, is aged 18 years or more; and

(b) has applied in writing to HMRC to be appointed to act on behalf of the person who is unable to act.

(4) A person's appointment under paragraph (3) ends—

(a) when HMRC terminate it;

(b) when the person appointed has resigned from the appointment having given one month's notice in writing to HMRC of that person's resignation; or

(c) when HMRC are notified that a receiver or other person mentioned in paragraph (2)(b) has been appointed in relation to the person who is unable to open or manage a Help-to-Save account.

General requirements for Help-to-Save accounts

11.—(1) A Help-to-Save account must satisfy the requirements that—

(a) it is the account of a single individual ("the account holder"), who is "the applicant" in regulation 8;

(b) the account is denominated in sterling; and

(**11**) S.I. 1987/1968. Regulation 33(1) was amended by S.I. 1999/2572, 2005/337 and 2007/2470.
(**12**) SR (N.I.) 1987/465.