



Income Tax relief for Shared Lives Carers

Draft Statutory Instrument - The Qualifying
Care Relief (Specified Social Care Schemes)
(Amendment)

Publication date: 16 December 2011

Closing date for comments: 31 January 2012

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1. Summary

Request for comments on the draft Statutory Instrument

The Government introduced “Qualifying Care Relief” in 2010 and specified the social care schemes that qualify for the relief in The Qualifying Care Relief (Specified Social Care Schemes) Order 2011 (link: <http://www.legislation.gov.uk/uksi/2011/712/contents/made>).

The Government’s aim in introducing the relief was to bring into line the tax treatment of carers who, like foster carers, share their homes and daily family life with a child or adult placed with them by a local authority.

We have become aware that the Order does not cover all carers that should be eligible for the relief and we have drafted amendments that will:

- change the definition of a “looked after child” as it applies to Scotland
- ensure that carers of previously looked after children who stay with their carers once they reach the age of 18 will continue to qualify for the relief for a period of time, whether or not the person cared for is in full-time education and
- ensure that arrangements made for both a parent and their child to live with a carer are not excluded

There are also some minor amendments that do not alter the effect of the Order.

The draft Statutory Instrument amending the original Order is published today for comment and consideration.

Any comments should be sent by 31 January 2012 by:

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2. Draft legislation

Citation, commencement and effect

1.—(1) This Order may be cited as the Qualifying Care Relief (Specified Social Care Schemes) (Amendment) Order 2012.

(2) This Order comes into force on [***].

(3) This Order has effect for the tax year 2011-2012 and subsequent tax years.

Amendment to the Qualifying Care Relief (Specified Social Care Schemes) Order 2011

2.—(1) The Qualifying Care Relief (Specified Social Care Schemes) Order 2011(1) is amended as follows.

(2) For article 2(b) substitute—

“(b) in Scotland, to whom section 17(6) of the Children (Scotland) Act 1995(2) applies, and”.

(3) For article 3 substitute —

“**3.** For the purposes of paragraph (c) of subsection (2) of section 806A, a specified social care scheme means a scheme, service or arrangement that provides—

(a) adult placement care (article 4),

(b) kinship care (article 5),

(c) staying put care (article 6), or

(d) for a parent and his or her child to live with Y (article 7).”.

(4) For paragraph (2) of article 6 substitute—

“(2) Condition A is that X—

(a) has reached the age of 18 but is under 21, or

(b) is—

(i) in full-time further education,

(ii) in full-time higher education, or

(iii) pursuing full-time vocational training.”.

(5) For paragraph (3) of article 6 substitute—

“(3) Condition B is that if X is aged 18 years or over, immediately prior to reaching 18 years X was a looked after child.”

(6) After article 6 insert—

“Specified social care schemes providing for a parent and his or her child to live with Y

7.—(1) A specified social care scheme providing for a parent and his or her child to live with Y must meet Conditions A to C in this regulation.

(2) Condition A is that L has arranged for the parent and child to live with Y.

(3) Condition B is that Y provides care for the parent and child.

(4) Condition C is that Y receives payment from L for providing the accommodation and care for the parent and child.”.

(1) S.I. 2011/712.

(2) 1995 c. 36. Section 17(6)(e) was added by paragraph 9(4)(b) of Schedule 2 to the Adoption and Children (Scotland) Act 2007 (asp 4).