

Tax-free childcare

<https://childcare-support.tax.service.gov.uk>

We have recently signed up to the Governments Tax-free Childcare Scheme. Please see pages 2, 3 and 4 for further information on the scheme.

If you plan on using this scheme to pay for your child's Before School Club, you will need to inform the school office first as we will need information from you that allows us to identify payments from you:

Child's forename initial –

First 3 letter of child's surname –

5 numbers unique to the child included in the combination of forename/surname, (ie ABOW44162 TFC) –

Applying for Tax-Free Childcare

Who can apply?

You can apply for Tax-Free Childcare if:

- your child is less than 12 years old, or
- your child is disabled and less than 17 years old and they're either:
 - receiving Disability Living Allowance, a Personal Independence Payment or an Armed Forces Independence Payment
 - severely sight-impaired or blind, confirmed by a consultant ophthalmologist
- the child you're applying for usually lives with you (you don't have to be their parent)
- you live and work in the UK, unless you're a Crown servant or member of the HM Armed Forces posted overseas
- you're working and expect:
 - to earn, on average, at least £120 per week (but see below if you're under 25)
 - your total [taxable income](#) to be less than £100,000 per year

If you have a partner, when you apply for Tax-Free Childcare they need to be working and expect to earn, on average, £120 per week and less than £100,000 per year.

A person is your partner if you're:

- married or in a civil partnership, and live together in the same household, or
- a couple who live together as if you're married or in a civil partnership

If you're under 25, you should expect to earn at least £113 a week.

If you're under 24 or an apprentice, you should expect to earn the equivalent of 16 hours, at the national minimum wage and living wage rate which applies to you.

Every 3 months, you'll need to reconfirm you're still eligible for Tax-Free Childcare using your childcare service account. It's easy to do; you just tick a box to confirm that your details haven't changed. You'll be reminded to do this, 4 weeks before the reconfirmation deadline.

You can't apply for Tax-Free Childcare for a child who is:

- your foster child
- living away from your home for 6 months or more
- in a young offenders' institution or secure children's home or training centre
- being looked after by a local authority, unless its short term respite care

If you're adopting a child, you can apply for Tax-Free Childcare when a court has made an adoption order.

Self-employment

You can apply for Tax-Free Childcare if you're self-employed and have registered your business with HM Revenue and Customs.

You can use income from both your employment and self-employment to meet the minimum income.

Your first 12 months of self-employment is your start-up period. During this time, you don't have to earn the minimum £120 a week to be eligible for Tax-Free Childcare.

You can average your self-employment income across the year to meet the minimum income criteria. You need to meet the minimum using just your self-employment income if you take this approach.

Time off work

You can still apply for Tax Free Childcare if you're on paid:

- sick leave
- ordinary or additional maternity, paternity or adoption leave or getting Maternity Allowance
- shared parental leave
- annual leave

You can also apply for Tax-Free Childcare, if you're not working, but expect to start a new job in the next 14 days.

Benefits or support

You may still be able to get Tax-Free Childcare, if you or your partner doesn't work, and the non-working partner gets:

- Incapacity Benefit or long-term Incapacity Benefit
- Severe Disablement Allowance
- Carer's Allowance
- contribution-based Employment and Support Allowance
- National Insurance credits because of incapacity or limited capability for work

If you apply for Tax-Free Childcare, you won't be able to get:

- Child Tax Credit
- Working Tax Credit
- Universal Credit
- childcare vouchers from your employer

Your Child Tax Credit and Working Tax Credit payments will stop automatically if you successfully apply for Tax-Free Childcare.

You should apply for Tax-Free Childcare before asking Jobcentre Plus to stop your claim to Universal Credit, because there may be other reasons why you're not eligible for Tax-Free Childcare.

If you're getting childcare vouchers, you need to tell your employer within 3 months of applying for Tax-Free Childcare so that they can stop giving you childcare vouchers.

You can use the childcare calculator to work out if you'll be better off with Tax-Free Childcare, before you apply and stop your tax credits, Universal Credit child vouchers.

Other childcare schemes

You can still apply for Tax-Free Childcare if you get:

- Child Benefit
- 15 hours free childcare and education for children aged 2 to 4-years old
- 30 hours free childcare

Apply for Tax-Free Childcare

You can apply for Tax-Free Childcare for more than one child as part of a single application.

You can only get a childcare service account, if no one else holds an account for the same child.

You'll need:

- your National Insurance number
- personal details, for example, from your UK passport or driving licence

In most cases, you'll be told instantly if your Tax-Free Childcare application is successful.

If your application is unsuccessful we will tell you why you're not eligible.

Your online childcare service account

Once you've successfully applied for your online account, you can:

- view all your children's Tax-Free Childcare accounts in one place
- confirm you're still eligible for Tax-Free Childcare and 30 hours free childcare
- start paying into your children's Tax-Free Childcare accounts and
- use it to pay for childcare costs

How much you pay into your Tax-Free Childcare account, and when, is up to you. You can make one-off payments (for example, by debit card) or set-up a standing order to make regular payments into your Tax-Free Childcare account.

For every £8 you pay in, the government automatically adds an extra £2 straight into your Tax-Free Childcare account. You'll then be able to use the full balance to pay for your childcare.

You can pay up to 10 childcare providers from each Tax-Free Childcare account. You'll need to make a separate payment for each eligible child.

Other people, such as family members and employers, can also pay into your Tax-Free Childcare account.

When you use your Tax-Free Childcare account to pay a childcare provider, it can take 2-3 working days for your money to reach them.

You can use Tax-Free Childcare to pay for costs such as:

- childcare with regulated (approved or registered) childcare providers, for example, nurseries, play scheme, registered childminders or out-of-hours school clubs
- advance payments, block bookings and individual sessions
- the costs of employing a nanny or extra childcare if using a workplace nursery

If your childcare provider is no longer registered or approved, HMRC will tell you. When they do, you'll no longer be able to pay that childcare provider using your Tax-Free Childcare account.

You can continue to make payments into your Tax-Free Childcare account and choose to pay a different childcare provider that has signed up to Tax-Free Childcare.

Closing your Tax-Free Childcare account

If you're no longer eligible for Tax-Free Childcare, you can still add money to your account but you won't receive any government contributions. You can still use the balance in your Tax-Free Childcare account to pay for childcare.

If you no longer want to use your Tax-Free Childcare account, you can withdraw your money. If you do, for every £8 you take out the UK government will also take back its £2 contribution.