

Tax-Free Childcare



What is it?

Tax-Free Childcare is a new Government scheme to help working families with their childcare costs.

Parents will be able to open online childcare accounts to pay their registered childcare providers directly. For every £8 parents pay in to these accounts, the Government will add £2, and the total amount in the account can only be spent on childcare. Parents can receive up to £2,000 in Government support per child, per year, or £4,000 for children with disabilities.

The system will be quick and simple for parents and childcare providers to apply for and use. The scheme can be used to pay Ofsted registered childcare such as Day Nurseries, Playgroups, Pre Schools and Childminders.

How does it work?

Parents could get a Government contribution of up to £2,000 per child, per year, or £4,000 for disabled children, to go towards their childcare costs.

Parents will have an online account, just like a bank account which they can use to pay their childcare. You will be able to track how much you have paid in and how much you have spent for each child. Parents can choose to pay more some months and less in others if necessary.

If your circumstances change or you no longer want to pay into the account, then you will be able to withdraw the money you have built up. If you do, the government will withdraw its contribution.

Who is eligible?

Parents could be eligible if they:

- Earn at least £115 per week but less than £100,000 per year, self employed parents will also be eligible
- Don't receive childcare vouchers, tax credits or Universal Credit
- Have children who are under 12, or under 17 for children with disabilities.

When will it be available?

Tax-Free Childcare will be available from early 2017. It will be rolled out gradually, with parents of the youngest children able to apply first, more details will follow.

Find out more

Please contact the Families Information Service for more details, or visit: www.derby.gov.uk/childcare

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<https://www.gov.uk/government/news/tax-free-childcare-10-things-parents-should-know>



Derby City Council

