



## **TAX-FREE CHILDCARE**

Tax-Free Childcare is a government scheme introduced in September 2017, to help parents with the cost of childcare. Parents pay into their Tax-Free account regularly and the amount they pay in is topped up by the government - for every £8 that families pay in, the government will make a top-up payment of an additional £2, up to a maximum of £2,000 per child per year (or £4,000 for disabled children). This top up is added instantly and parents can then send electronic payments directly to their childcare providers. The maximum government top-up is £500 per quarter for each child, or £1,000 if the child is disabled.

You can apply for Tax Free Childcare through an online application to HM Revenue and Customs through [the Childcare Service](#).

To qualify for this scheme, parents must be working and each earning at least £139 a week (on average) and not more than £100,000 each a year.

When you apply, you can check what other help you could get with childcare costs on [www.childcarechoices.gov.uk](http://www.childcarechoices.gov.uk).

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 or a Personal 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 £139 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, £139 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 £131.20 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.

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 £139 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.

For further help and information please log on to <https://childcare-support.tax.service.gov.uk/> or you can call HM Revenue and Customs Helpline on 0300 123 4097.