

WHAT IS TAX-FREE CHILDCARE?

Tax-Free Childcare is a government scheme designed to help working parents with childcare costs. It is available to working parents of children aged 12 and under (17 and under if the child has a disability). The scheme allows eligible parents to set up an online childcare account, which you can pay in to whenever you like and can be used to pay your childcare provider directly.

How can I use Tax-Free Childcare?

The scheme can be used to pay registered childminders, nurseries, nannies, after-school clubs and play schemes.

How does the Tax-Free Childcare scheme work?

For every £8 you pay into your account, the Government will pay in £2, up to a maximum of £2,000 per year per child (£4,000 if the child has a disability). The amount you save with Tax-Free Childcare will depend on your childcare costs. To receive the full £2,000 benefit from Tax-Free Childcare you must have childcare costs of £10,000 per child per year. If your childcare costs are lower than this, your saving will be less than £2,000.

How do I register for Tax-Free Childcare?

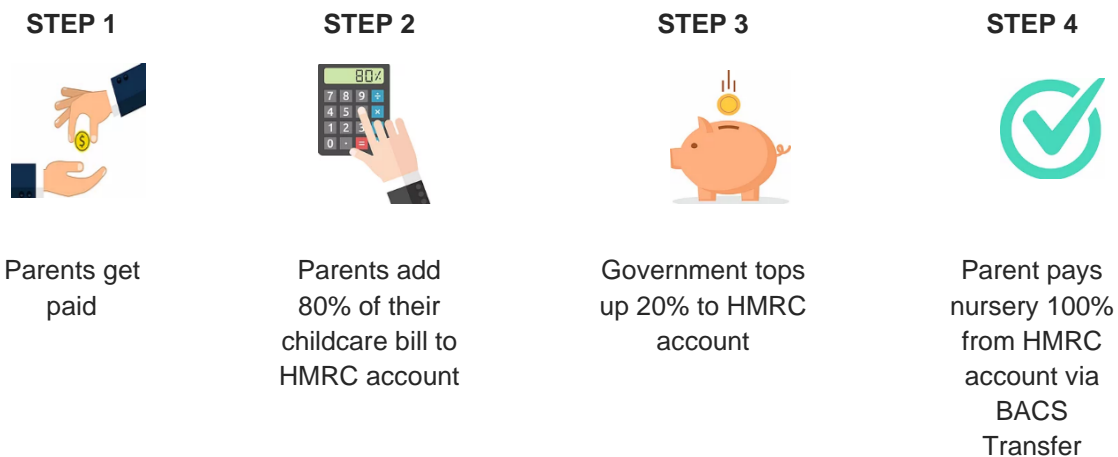
You will need to open a Government Gateway account through the Childcare Choices website and have to hand:

- Your National Insurance Number
- A payslip, P60 form or your passport
- The date your most recent employment started.

Your application will be assessed by HMRC who will let you know if you are eligible for Tax-Free Childcare.

You will need to reconfirm that you are still eligible for Tax-Free Childcare every 3 months using your childcare service account. You can do this by ticking a box to confirm that your details have not changed. You will be reminded to do this 4 weeks before the reconfirmation deadline.

How do I pay the nursery using Tax-Free Childcare?



It is often easily forgotten to make the second payment back to the nursery so we suggest setting up two regular standing orders, to make this process as simple as possible. This method below is currently working well for parents.

STANDING ORDER 1 Personal Account > HMRC Account	STANDING ORDER 2 HMRC Account > Nursery Account
Set up a standing order for 80% of your monthly childcare fees to transfer from your personal account to your HMRC account on the 1st of every month.	3 working days are required for the 20% top up to arrive. Therefore, set up the second standing order for 100% of the fees on the 7th of each month