

# TAX FREE CHILDCARE INFORMATION



<https://www.gov.uk/help-with-childcare-costs/tax-free-childcare>

Tax-Free Childcare will be available to around 2 million households to help with the cost of childcare, enabling more parents to go out to work, if they want to, to provide greater security for their families.

You'll be able to open an online account, which you can pay into to cover the cost of childcare with a registered provider. This will be done through the government website, GOV.UK (link above)

For every 80p you or someone else pays in, the government will top up an extra 20p. This is equivalent of the tax most people pay - 20% - which gives the scheme its name, 'tax-free'. The government will top up the account with 20% of childcare costs up to a total of £10,000 - the equivalent of up to £2,000 support per child per year (or £4,000 for disabled children).

Eligibility - You can usually get Tax-Free Childcare if you (and your partner, if you have one) are:

- in work - or getting parental leave, sick leave or annual leave
- Expecting to earn a certain amount over the next 3 months. This is at least the [National Minimum Wage or Living Wage](#) for 16 hours a week on average. For example, over the next 3 months you expect to earn at least £1,707.68 - the National Living Wage for people over 25.

This earnings limit does not apply if you're self-employed and started your business less than 12 months ago. You're not eligible if either you or your partner has a taxable income over £100,000.

Tax-Free Childcare doesn't rely on employers offering the scheme, unlike the current scheme Employer-Supported Childcare. Any working family can use Tax-Free Childcare, provided they meet the eligibility requirements.

Parents and others can pay money into their childcare account as and when they like

This gives you the flexibility to pay in more in some months, and less at other times. This means you can build up a balance in your account to use at times when you need more childcare than usual, for example, over the summer holidays.

It's also not just the parents who can pay into the account - if grandparents, other family members or employers want to pay in, then they can.

The process will be as easy as possible for you. For example, you'll re-confirm your circumstances every 3 months using a simple online process; and there will be a simple log-in service where parents can view accounts for all of their children at once.

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

***If you do set up an online account please provide Rockwood Nursery with your child's reference code ASAP. Also, please let us know each time you make a payment so we can look out for it in the monthly payment report.***