



Parents will be able to pay for childcare using an online childcare account. For every £8 a parent pays in, the government will pay in an extra £2. Parents can get up to £2000 of government support per child per year. The scheme is available from April 2018 when existing childcare voucher schemes will be closed to new members. If you're already using a childcare voucher scheme through an employer you have the option to continue using it instead of using the new scheme, but you can't use both.

### Key features of the scheme

- The scheme includes all eligible families with children aged under 12 and disabled children under 17.
- Parents of disabled children can pay in up to £16,000 p.a. with a top up of £4,000.
- Both parents in household or lone parent must be working at least 8 hours a week at the national minimum wage
- Parents must be over 16 years old and have earnings just over an average of £115 a week. Any parent with annual income in excess of £100,000 is excluded from the scheme
- Two parent households must decide who will apply for the scheme. If parents are living apart only one can claim under the scheme
- Family members and friends can contribute to the scheme, but their contributions do not qualify for the government top up
- Parents have to register to use the scheme and confirm their eligibility and reconfirm eligibility Every quarter. If they have several children, the parent only has to reconfirm for one child and this will be linked to the others

- The money can only be used for Ofsted regulated childcare in England or similar in Scotland, Wales and NI – nurseries, play schemes, child-minders, nannies and school based care
- When the child reaches 12 the account can stay open for a further 12 months, then it is transferred back to the parents, less the government top up
- In other cases, where the parent becomes ineligible, the account will remain open for 2 years before closure and return of funds less the government top up

### How do you claim the support?

The government's contribution to childcare support will be paid directly into an online account you can open through the Childcare Service website. The account will be with National Savings & Investments and you will be given a unique ID.

Parents will only be able to pay their childcare provider from their childcare account if their childcare provider is signed up to Tax-Free Childcare. We are aware that not all childcare providers are up to speed on the new schemes, so check with them that they are able to receive payment this way.

While parents can't make payments using both Tax-Free Childcare and childcare vouchers, childcare providers who are signed up to Tax-Free Childcare can receive payments from both schemes.



## What if you want to withdraw the money?

You will be able to withdraw funds you have paid into the account, if needed. However the government would then reclaim its corresponding contribution. For example, if you withdrew £800, the government would take back £200 of the money it had added.

## And there is more good news ...

All 3 and 4-year-olds in England already get 15 hours a week, or 570 hours a year of free early education. If their parents are living and working in England, 3 and 4-year-olds may be entitled to 30 hours free childcare from September 2017. An extra 570 hours of free childcare a year, so 1440 hours in total. The eligibility criteria are the same as the ones for Tax-Free Childcare, except you can continue to get these types of support at the same time as 30 hours free childcare

- Tax Credits
- Universal Credit
- Childcare vouchers or salary sacrifice schemes
- Childcare grants and bursaries

