

Childcare Choices

Top things parents
need to know about
Tax-Free Childcare



HM Government

What is Tax-Free Childcare?

Tax-Free Childcare is a government scheme to support working parents with childcare costs.

If eligible, you set up an online childcare account which you can use to pay your childcare provider directly. For every £8 you pay in, the government will pay in an extra £2.

You can get up to £2,000 per child per year, or £4,000 for disabled children.

You can use Tax-Free Childcare to pay for:

- Registered childminders, nurseries and nannies
- Registered after-school clubs and play schemes
- Home care workers working for a registered home care agency.

When will Tax-Free Childcare be available?

The online service launched in April 2017 and is now fully rolled out to all eligible parents, with children aged under 12. Parents can apply via [Childcare Choices](#).

Am I eligible for Tax-Free Childcare?

You will be eligible for Tax-Free Childcare if:

- Your child is under 12 years old, or your child is disabled and under 17 years old for Tax-Free Childcare.
- 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, and any partner, are working, and each earning at least the [National Minimum Wage or Living Wage](#) for 16 hours a week – in 2017-18 this is £120 if you're over 25 – but less than £100,000 a year each.
- If you're under 25 or an apprentice, you should expect to earn the equivalent of 16 hours, at the National Minimum Wage or Living Wage which applies to you.

You can still apply for Tax-Free childcare if you're:

- On paid sick leave.
- On paid ordinary or additional maternity, paternity or adoption leave, or getting Maternity Allowance, for another child.
- On paid shared parental leave.
- On paid annual leave

You can also apply for Tax-Free Childcare if you're not working but expect to start a new job in the next 31 days.

You can't get Tax-Free Childcare and tax credits, Universal Credit or childcare vouchers at the same time.

I'm on childcare vouchers. How do I switch to Tax-Free Childcare?

First, you can find out which scheme best suits you by completing the Childcare Calculator on [Childcare Choices](#).

If you wish to switch from childcare vouchers to Tax-Free Childcare, you need to notify your employer, and send HMRC confirmation that you've stopped your vouchers within three months of successfully applying for Tax-Free Childcare. The email you send your employer telling them you wish to stop using childcare vouchers can be used as confirmation.

You can continue to use any childcare vouchers already accrued prior to joining Tax-Free Childcare.

Can I still apply for childcare vouchers?

Parents can join the childcare voucher scheme, so long as they receive a childcare voucher before the scheme closes to new entrants in October 2018. Parents who want to continue using childcare vouchers afterwards will be able to, as long as they stay with the same employer, their employer continues to offer vouchers, and they don't take an unpaid career break of longer than a year.

Applying

How do I apply for Tax-Free Childcare?

You can apply for Tax-Free Childcare via [Childcare Choices](#).

You, and your partner if you have one, will need your:

- National Insurance number(s)
- Details of one or more of the following – your UK Passport, tax credits, P60 or a recent payslip.

In most cases, you'll be told straight away if your application is successful. In some cases, HMRC may need to do some additional checks to confirm whether you're eligible, so it's important to apply in good time. If you're found not to be eligible we will tell you why.

I don't have access to the internet. How do I apply?

If you need assistance or do not have access to the internet, you can call the childcare service helpline on 0300 123 4097 and apply over the phone.

I applied for Tax-Free Childcare and am ineligible. What other help can I get with my childcare costs?

Childcare Choices has a Childcare Calculator where you can learn more about which government offers might be best for you, whether you are likely to be eligible and how to apply.

Using Tax-Free Childcare

How do I pay my provider using Tax-Free Childcare?

Your provider needs to sign up before you can pay them using Tax-Free Childcare. They can go to childcarechoices.gov.uk/providers to find out more and sign up. Once they've signed up, you can add them to your childcare account by clicking on the 'Your Tax-Free Childcare account' link on your account homepage. You can pay them directly through your childcare account, and can also set up a regular payment on a chosen day each month.

When you pay money in, it will take 24 hours to clear before you can pay your provider. Payments to childcare providers will take a further three days to arrive in their account. When you apply for Tax-Free Childcare, you'll be given a unique reference number for your child. You need to give this number to your childcare provider so that they can match your payments to your child. You can find this in your welcome pack by clicking the 'Secure messages' link on your account homepage.

How do I find out if my childcare provider is signed up for Tax-Free Childcare?

Tens of thousands of providers have already signed up. You can search for your provider in the 'Your Tax-Free Childcare account' section of the account homepage. If your provider is registered as sensitive with their regulator – perhaps because they're a childminder working from their home address – you'll need to search for them using their regulator ID and postcode.

Reconfirming your eligibility

How often do I have to reconfirm my eligibility?

You will need to reconfirm you are still eligible for Tax-Free Childcare every three months, using your childcare service account, even if you have not yet taken up your place. It's easy to do; if your details have not changed you just tick a box to confirm this. You'll be reminded to do this 4 weeks before the reconfirmation deadline. It's important you let us know if your circumstances have changed, as they will be checked against other systems. If you miss the reconfirmation deadline, you will receive a message telling you that your eligibility has lapsed. You should go into your childcare account and reconfirm.

What happens if I reconfirm and am ineligible?

If you are no longer eligible for Tax-Free Childcare, you can still use the money in your account (including the top-up you accrued while you were eligible) to pay your provider. You can also continue to use your account to pay your provider in future, but you won't get the government top-up.