



FAQs on Childcare Vouchers and Tax Free Childcare Scheme

The Government announced in the March 2013 budget that they are replacing the Childcare Voucher scheme with the Tax Free Childcare scheme. The Tax Free Scheme began to launch in April 2017 and has been phased out to all eligible families. At present the scheme is available to all families where the youngest sibling is aged 9 or less and to all families where there is a registered disabled child.

The current Childcare Voucher Scheme is only available to new entrants until October 2018. Do not miss out as after this date you will not be able to join the Childcare Vouchers scheme!

What is Tax Free Childcare?

The Tax Free Childcare scheme is a Government initiative that allows eligible working families to claim 20% of their childcare costs, up to £2,000 per child per year (or £4,000 for a child with a disability).

Who is eligible for the Tax-Free Childcare scheme?

Both parents or one parent in a single-parent household must be in employment, earning between £120 per week and £100,000 per year. Children must be aged 12 or 17 if registered disabled.

The scheme has also been opened to self-employed parents.

We recommend parents to visit the Childcare Choices website so that they can get an accurate response on what schemes are available and best suited to their personal circumstances. <https://www.childcarechoices.gov.uk/>

How much will I save with Tax Free Childcare?

Eligible families will be entitled to claim 20% of their annual cost of childcare, up to a value of £2,000, per child. So for every £80 a family puts into their Tax Free Childcare account for childcare, the Government will pay in a 'top-up' of £20. In order to qualify for the full £2,000, the parent's annual fees, per child, must be £10,000 or above.

How much can I save with Childcare Vouchers?

As a working couple parents can save a maximum of £1,866. Each parent can save up to £933 per year. To register visit www.flexiblebenefits.coop and click on the register button in the top right hand corner.

Can I use Childcare Vouchers and Tax Free Childcare at the same time?

No, parents must decide which scheme they wish to opt in for. It is not possible for one parent to be on childcare vouchers and for the other to be on Tax Free childcare.

Can I use 30 hours free childcare with Childcare Vouchers or Tax Free Childcare at the same time?

You can use 30 hours free childcare with either the Childcare Voucher or Tax Free Childcare scheme; however, you are not allowed to use Tax Free Childcare and Childcare Vouchers at the same time.

Can I claim for my child if I am separated or divorced?

Yes, but only one person with parental responsibility will be able to open a Tax Free Childcare account, as the account is per child and not per parent (not like Childcare Vouchers).

May I continue to take Child Tax Credits?

A parent may not claim Tax Free Childcare on top of Tax Credits, Universal Credit or Childcare Vouchers.

How can I join Tax Free Childcare?

If parents qualify for Tax-Free Childcare, they will need to register online via the Government website giving details on their household, work and child, and then Government will confirm eligibility. Once eligibility is confirmed, an online child account will be opened. Parents will need to reconfirm their eligibility every quarter, in case their circumstances change.

Will my existing Childcare Voucher Scheme end?

From October 2018 the existing Childcare Voucher Scheme will close to new entrants. If you receive Childcare Vouchers you can continue to do so, if you change employers you will no longer be able to claim Childcare Vouchers after October 2018, but will have the option to switch to Tax Free Childcare.

How do I know if I will be better off with Childcare Vouchers or Tax-Free Childcare?

The Government has devised a Childcare Savings Calculator, which takes into account your family circumstances and the number of hours of childcare you use. The calculator is a simple way for you to see if the Tax-Free Childcare or the existing Childcare Voucher Scheme is likely to save you more. Click on this link to visit the calculator and determine which scheme/s is/are better suited to your circumstances.
<https://www.childcarechoices.gov.uk/>

Will my childcare provider be able to accept Tax Free Childcare?

The criteria for accepting Tax-Free Childcare is the same as it is for Childcare Vouchers, so as long as a childcare provider is Ofsted (or equivalent) registered they should be able to receive payment this way.

Will I be able to receive Childcare Vouchers after returning from Maternity Leave?

If you were in the Childcare Voucher scheme but are not currently receiving Childcare Vouchers because you are on maternity leave, you can you receive them again when you go back to work.

This will depend on the length of time you are not receiving Childcare Vouchers and the timing of that period. Provided you do not have more than 52 consecutive weeks without receiving Childcare Vouchers you will not be considered as having left your employer's scheme, and can resume receiving vouchers on your return to work with the same employer. If you opt out for more than 52 weeks you will be considered as having left the scheme and will be unable to re-join after October 2018, as Childcare Vouchers will close to new entrants from that date.