

## Tax-Free Childcare Frequently Asked Questions

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**Q: If a childcare provider isn't signed up for Tax-Free Childcare but parents are aware can the parent still apply?**

## Eligibility queries

**Q: Are parents able to use Tax-Free Childcare in addition to workplace salary sacrifice schemes, such as childcare vouchers?**

No. You can't use Tax-Free Childcare and workplace salary sacrifice schemes, such as childcare vouchers, together. If a parent is successful in applying for Tax-Free Childcare, they will have to leave their childcare voucher scheme within 3 months.

Tax-Free Childcare is replacing workplace salary sacrifice schemes, which closed to new entrants in October 2018, as it provides access to childcare support costs to more working families. This includes:

- parents whose employer doesn't offer vouchers
- the self-employed who can't use vouchers
- lone parent households receive the same support through Tax-Free Childcare, as those with more than one parent (unlike childcare vouchers where support is allocated per working parent).

**Q. What can Tax-Free Childcare be used for; does it include lunches, music lessons etc?**

Families can use Tax-Free Childcare to pay for any approved childcare including holiday clubs, breakfast and after school clubs, child minders and nurseries. It can also be used for nursery deposits, retainers (for holiday periods) and childcare payments in advance and extras, such as lunches or trips, if/when these are included as part of the overall childcare costs charged by the childcare provider.

Tax-Free Childcare **can't be used** for any part a child's compulsory education costs. This includes:

- School lunches
- private lessons during school time, such as private music lessons
- school uniform
- school lunches
- costs for school trips within the normal school day

**Q: Is Tax-Free Childcare capped at £100k per family, or is it per parent?**

Tax-Free Childcare is capped per parent.

**Q: What happens if a parent is on maternity leave will this affect their eligibility?**

For as long as the parent is in continuous employment and meeting eligibility - i.e., earning at least the National Minimum or Living Wage for 16 hrs a week on average while they are on maternity leave then they sustain their eligibility.

**Q: Can you use Tax-Free-Childcare with [30 hours free childcare](#)?**

Yes

**Q: Do both parents need to be working 16hrs and earning National Minimum Wage?**

A parent and their partner, if they have one, must each expect to earn at least the National Minimum Wage or Living Wage. A parent may still be eligible if their partner is working, and they get Incapacity Benefit, Severe Disablement Allowance, Carer's Allowance or contribution-based Employment and Support Allowance.

**Q. Why can't family members who access Tax-Free Childcare also access 30 hours free childcare?**

This question refers to a difference in rules between Tax-Free Childcare and 30 hours free childcare owned by the Department for Education. You can only get [Tax-Free Childcare](#) to help pay for childcare provided by a relative (for example, a grandparent) if they're a registered childminder and care for your child outside your home. You cannot get help for childcare provided by your partner. This is not accepted as 'approved childcare'.

**Q: Can Tax-Free Childcare be used for School Residential Trips (e.g., skiing)?**

You can use Tax-Free Childcare for approved childcare or any supervised activity that is not considered part of a child's compulsory education, so it can't be used pay for an entire school residential trip.

However, if qualifying childcare costs cover part-qualifying childcare and part-compulsory school age education, such as residential trips, Tax-Free Childcare can be used for childcare administered outside of the normal school day. For example, for overnight school trips, 30% could be classed as compulsory education and 70% as childcare. Parents can only claim for the qualifying childcare proportion (e.g., 70% in the above example) via Tax-Free Childcare. The child's school can help work out what is/isn't considered qualifying childcare.

**Q: Will using Tax-Free Childcare affect my Child Benefit?**

No, using Tax-Free Childcare has no effect on claiming Child Benefit. Child Benefit is paid to a parent, if eligible, to help them bring up a child they are responsible for. Tax-Free Childcare contributes to working parents' childcare costs.

A parent cannot claim Tax-Free Childcare at the same time as Working Tax Credit, Child Tax Credit or Universal Credit.

**Q. How do parents of a disabled child claim Tax Free Childcare alongside disability allowances?**

Parents can claim Tax-Free Childcare alongside Disability Living Allowance for children or Personal Independence Payments or Carer's Allowance. If a parent is on Universal Credit, parents can claim Universal Credit childcare. The following guidance may help.

<https://www.gov.uk/help-with-childcare-costs/universal-credit>

<https://www.gov.uk/disability-living-allowance-children>

<https://www.gov.uk/carers-allowance>

<https://www.gov.uk/pip>

**Q. Is there a monthly cap on Tax-Free Childcare?**

There is a 3 monthly cap. A parent can receive up to £2,000 a year per child which is £500 every 3 months or £4,000 a year per child (£1,000 every 3 months) if their child is disabled – to put towards the cost of childcare.

**Q: Can we get Tax-Free Childcare if one of us isn't working?**

Although the rules say both parents need to be in work, you'll still be eligible for a Tax-Free Childcare account if you or your partner is in work and the other isn't able to work and receives any of the following benefits:

- Incapacity benefit or long-term incapacity benefit
- Severe disablement allowance
- Carer's allowance
- Contribution-based employment and support allowance
- National insurance credits (because of incapacity or limited capability for work)

**Q: Is Tax-Free Childcare available when I'm on parental or adoption leave?**

Yes. You can usually get Tax-Free Childcare if you (and your partner, if you have one) are on shared parental, maternity, paternity, or adoption leave and are due back to work within 31 days of the date you first applied.

**Q: Can a parent get back dated Tax-Free Childcare if they were eligible and didn't know?**

No, to get Tax-Free Childcare a parents need to have a Tax-Free Childcare account in place.

Where parents lose out on Tax-Free Childcare through nobody's fault, they might get a top-up refund or compensation if they've been unable to access Tax-Free Childcare due to technical issues. Guidance on this is on GOV.UK at: [Claim a top-up refund or compensation for Childcare Service issues - GOV.UK \(www.gov.uk\)](https://www.gov.uk/claim-a-top-up-refund-or-compensation-for-childcare-service-issues)

## Payment/operational queries

### **Q: Is there a minimum amount I must pay for childcare per week or month to use Tax-Free Childcare?**

There is no minimum amount that you need to deposit into your Tax-Free Childcare account. For every £8 you pay into your account, the government adds an extra £2.

You can get up to £500 every 3 months (up to £2,000 a year) for each of your children to help with the costs of childcare. This goes up to £1,000 every 3 months if your child is disabled (up to £4,000 a year).

Any money in your account will remain for you to pay your childcare provider when required. If you withdraw funds, the government will take back it's £2 'top up' for every £8 withdrawn.

### **Q: Can parents use Tax-Free Childcare when their childcare provider is not registered with a regulator for example Ofsted in England?**

No. Tax-Free Childcare can only be used with an [approved childcare provider](#) which means Childcare providers must be signed up for Tax-Free Childcare and registered with the relevant regulator. For example, they are a:

- registered childminder, nanny, playscheme, nursery or club
- childminder or nanny with a registered childminder agency or childcare agency
- registered school
- home care worker working for a registered home care agency.

The rules about how childcare providers become approved are different depending on where you live.

You can check if a childcare provider is approved or search for one in:

- England - [through Ofsted](#) or the [list of registered childminder agencies](#)
- [Wales - through Care Inspectorate Wales](#)
- [Scotland - through the Scottish Care Inspectorate](#)
- [Northern Ireland - through the local early years team register](#)

### **Q. How long can it take for the parent payment to show on the provider side?**

It can take up to 48 working hours for the payment to show from when parents send the payment from their Tax-Free Childcare account to the provider. If a payment has fallen on a weekend, it will be made automatically the next working day. If the payment still isn't showing after this time, parents or providers should get in touch with HMRC's Childcare Service helpline on 0300 123 4097.

### **Q. What happens if a parent pays a provider over the weekend or a bank holiday?**

Payments are reconciled within 48 working hours. If a payment has fallen on a weekend, or bank holiday it will be made automatically the next working day. If the payment still isn't

showing after this time, parents or providers should get in touch with HMRC's Childcare Service helpline on 0300 123 4097.

**Q. Why can't parents pay by credit card into their Tax-Free Childcare account?**

Some credit cards attract a charge when used for making payments. For this reason, you can't use a credit card to make payments into your childcare account. You can deposit money into your childcare account using a debit card, standing order or bank transfer. The government tops up automatically and you can use this money when it shows as 'available'.

**Q. Why is there sometimes a delay between parents putting in money and it showing on their account, along with the Government top up?**

It can take up to 24 hours for payments to show in a Tax-Free Childcare account from the time parents send the payment from their own account. If the payment still isn't showing after this time, you can get in touch with HMRC's Childcare Service helpline on 0300 123 4097.

Once the payment is shown in the childcare account, it can be used to pay the provider.

**Q. Where a parent sets up a payment plan with a nursery will it be impacted by bank holidays?**

As with many banking transactions, if a payment falls on a weekend or bank holiday, that payment will be made automatically on the next working day. If the payment still isn't showing in the account the next working day, parents or providers can call HMRC's Childcare Service helpline on 0300 123 4097.

**Q. How do parents and providers track parent payments through the Tax-Free Childcare online service?**

The Childcare Service provides parents with childcare reference numbers for banks and building societies.

When a parent pays their childcare provider using their childcare account, the transaction will appear on the provider's bank statement as **National Savings A**.

This entry should also contain the child's:

- childcare reference number, made up of 4 letters and 5 numbers. The letters are the first initial and the first 3 letters of the child's surname, for example, **AJON12345**
- Tax-Free Childcare account number. This will be 13 digits long and start with **1100**, and should contain the letters **TFC**, for example, **TFC 1100012345678**.

If the providers bank displays payment information differently and you are unable to identify a parent's payment, you can submit a [payment reconciliation form](#) or call the Childcare Service helpline on 0300 123 4097.

If a customer's building society is not including the reference number, then customers need to ask their building society to include it on their banking transactions so they can identify individual parent payments.

**Q: Is Tax-Free Childcare guidance for families available in different languages?**

No. Some guidance and media graphics are available in Welsh  
<https://www.childcarechoices.gov.uk/cymraeg/>

<https://www.childcarechoices.gov.uk/providers/guidance-and-resources/social-media/welsh-media-assets/>

**Q: Can parents of siblings pay from a sole Tax-Free Childcare account?**

Each child requires their own Tax-Free Childcare account. If families have more than one eligible child, they will need to register an account for each child. The government top-up is then applied to deposits made for each child, not household.



## Provider queries

**Q: We have private nurseries, do all three of them need to be registered separately to use Tax-Free Childcare?**

Yes, each nursery will need to sign up individually as registration is done by physical location- post code.

**Q: How do childcare providers sign up to Tax-Free Childcare?**

All information on how Childcare providers can sign up to Tax-Free Childcare can be found here: <https://www.childcarechoices.gov.uk/providers/>

**Q: Can Tax-Free Childcare be used to pay for extracurricular clubs run by schools (not wraparound childcare?)**

Yes, it can, providing the activity club (breakfast club, after school club etc) is approved by a regulator and [signed up](#) to receive Tax-Free Childcare. The rules about how childcare providers become approved are different depending on where you live.

You can check if a childcare provider is approved or search for one in:

- England - [through Ofsted](#) or the [list of registered childminder agencies](#)
- [Wales - through Care Inspectorate Wales](#)
- [Scotland - through the Scottish Care Inspectorate](#)
- [Northern Ireland - through the local early years team register](#)

**Q. Do families need separate accounts if they are siblings using Tax-Free Childcare or 30 hours funded childcare?**

Each child requires their own Tax-Free Childcare account. If families have more than one eligible child, they will need to register an account for each child. The government top-up is then applied to deposits made for each child, not household.

**Q: Can parents of children who are home educated access Tax-Free Childcare for home education provision?**

No, you can't get Tax-Free Childcare to pay for your child's compulsory education. Further information and guidance can be found here: <https://www.gov.uk/tax-free-childcare>

**Q: If a childcare provider isn't signed up for Tax-Free Childcare but parents are aware can the parent still apply?**

No, childcare providers must be registered with a UK regulator (e.g., Ofsted) and sign up to Tax-Free Childcare.