30 hours free childcare and tax free childcare

30 hours free childcare

From September 2017, working parents of three and four year olds will be entitled to 1,140 hours of childcare a year which is free of charge. This equates to 30 hours per week if the childcare is taken during term time only, and around 23 hours per week spread across the year. This is double the 570 hours a year that three and four year old children currently receive.

WHO is eligible?

The 30 hours free childcare is being introduced to support working parents with the costs of childcare and to help parents who would like to work more hours. To qualify:

- Both parents must be working and earning at least the equivalent of 16 hours per week at the national minimum wage, but less than £100,000 per peron a year
- Lone parents must be working and earning at least the equivalent of 16 hours per week at the national minimum wage, but less than £100,000 per year
- Self-employed parents must have earnings over a set period of time that equate to at least 16 hours per week at the national minimum wage but do not exceed £100,000 per year

There are exceptions if both parents usually work but:

- One or both parents are away from work on statutory sick pay
- One or both parents are on parental, maternity, paternity or adoption leave

In addition, parents are eligible if one parent is employed, but the other:

- Has substantial caring responsibilities based on specific benefits for caring
- Is disabled or incapacitated based on specific benefits

HOW can parents check if they are eligible?

The government is setting up a website where parents will be able to enter their details and check if they are eligible. This should be operational by early 2017. Parents will be able to check eligibility from the term before their child's third birthday. If you are eligible you will be given a code to give to your childcare provider.

WHEN will children be entitled to their 30 hours free childcare?

From the term after their third birthday.

WHAT happens if parents' circumstances change?

Parents will have to go onto the government's website every three months to confirm that their circumstances have not changed. If there has been a change, for example, the loss of a job, they will no longer be eligible. However, there will be a grace period that will allow your child to continue having their 30 hours free childcare while you find another job. Whatever your circumstances, all three and four year olds will still be entitled to 570 hours a year of free childcare.

WHERE can children take up their 30 hours free childcare?

Ofsted-registered childcare providers will be able to offer the 30 hours free childcare. This includes childminders, pre-schools, day nurseries, nursery classes and schools and playgroups. At this stage it is not known which providers will offer the 30 hours free childcare in Brighton & Hove.

Can parents take MORE or FEWER hours over the year?

You do not have to take any of the 30 hours free childcare at all if you don't want to, or you can take fewer than the 1,140 per year.

If you take more than the 30 hours free childcare, you will have to pay for them. Help towards the cost is available if you are eligible through the childcare element of Working Tax Credit, or Universal Credit when it replaces Working Tax Credit. Other help is available through the Tax-Free Childcare scheme to be launched in 2017 (see below), or your employer may offer a supported childcare scheme.

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. Here's the top ten things to know about the scheme…

1. You'll be able to open an online account

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.

Tax-Free Childcare will be launched from early 2017. The scheme will be rolled out gradually to families, with parents of the youngest children able to apply first.

You'll be able to apply for all your children at the same time, when your youngest child becomes eligible. All eligible parents will be able to join the scheme by the end of 2017.

2. 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).

3. The scheme will be available for children up to the age of 12

It will also be available for children with disabilities up to the age of 17, as their childcare costs can stay high throughout their teenage years.

4. To qualify, parents will have to be in work, and each earning around £115 a week and not more than £100,000 each per year

The scheme is designed to be flexible for parents if, for example, they want to get back to work after the birth of a child or work part-time.

5. Any eligible working family can use the Tax-Free Childcare scheme - it doesn't rely on employers offering it

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.

6. The scheme will also be available for parents who are self-employed

Self-employed parents will be able to get support with childcare costs in Tax-Free Childcare, unlike the current scheme (Employer-Supported Childcare) which is not available to self-employed parents. To support newly self-employed parents, the government is introducing a 'start-up' period. During this, self-employed parents won't have to earn the minimum income level.

The scheme will also be available to parents on paid sick leave and paid and unpaid statutory maternity, paternity and adoption leave.

7. If you currently receive Employer-Supported Childcare then you can continue to do so

You do not have to switch to Tax-Free Childcare if you do not wish to. Employer-Supported Childcare will continue to run. The current scheme will remain open to new entrants until April 2018, and parents already registered by this date will be able to continue using it for as long as their employer offers it.

However, Tax-Free Childcare will be open to more than twice as many parents as Employer-Supported Childcare.

Employers' workplace nurseries won't be affected by the introduction of Tax-Free Childcare.

8. 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.

9. The process will be as simple as possible for parents

The process will be light-touch and as easy as possible for you. For example, you'll re-confirm your circumstances every three months via 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.

10. 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.

More information will become available ahead of the scheme being introduced so parents making childcare decisions are able to consider all their options.