

## **Tax-Free Childcare**

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 a child is disabled (up to £4,000 a year).

If you've already registered, you can sign in to your [childcare account](#).

If you get Tax-Free Childcare, you'll set up an online childcare account for your child. For every £8 you pay into this account, the government will pay in £2 to use to pay your provider.

You can get Tax-Free Childcare at the same time as 30 hours free childcare if you're eligible for both.

## **What you can use Tax-Free Childcare for**

You can use it to pay for [approved childcare](#), for example:

- childminders, nurseries and nannies
- after school clubs and play schemes

Your childcare provider must be signed up to the scheme before you can pay them and benefit from Tax-Free Childcare.

Check with your provider to see if they're signed up.

## **If your child is disabled**

You can use the extra Tax-Free Childcare money you get to help pay for extra hours of childcare. You can also use it to help pay your childcare provider so they can get specialist equipment for your child such as mobility aids. Talk to them about what equipment your child can get.

## **Eligibility**

Your eligibility depends on:

- whether you're working (employed, self-employed, or a director)
- your income (and your partner's income, if you have one)
- your child's age and circumstances
- your immigration status

## **If you're working**

You can usually get Tax-Free Childcare if you (and your partner, if you have one) are:

- in work
- on sick leave or annual leave
- on shared parental, maternity, paternity or adoption leave and you're going back to work within 31 days of the date you first applied

### **If you're not currently working**

You may still be eligible if your partner is working, and you get Incapacity Benefit, Severe Disablement Allowance, Carer's Allowance or contribution-based Employment and Support Allowance.

You can apply if you're starting or re-starting work within the next 31 days.

### **Your income**

Over the next 3 months you and your partner (if you have one) must each expect to earn at least:

- £2,167 if you're aged 23 or over
- £2,117 if you're aged 21 or 22
- £1,557 if you're aged 18 to 20
- £1,098 if you're under 18 or an apprentice

This is the [National Minimum Wage or Living Wage](#) for 16 hours a week on average.

You can use an average of how much you expect to earn over the current tax year if:

- you work throughout the year but do not get paid regularly
- you're self-employed and do not expect to earn enough in the next 3 months

### **Example**

**You're eligible if you're 23 or over and do not have a regular income but earn £8,668 a year. This is the same as earning £2,167 every 3 months on average.**

If you're self-employed and started your business less than 12 months ago, you can earn less and still be eligible for Tax-Free Childcare.

If you have more than one job, you can use your total earnings to work out if you meet the threshold. This includes:

- earnings from any employment
- earnings from any self-employment

If you're both employed and self-employed, you can use just your self-employment income if this would make you eligible. For example, if you expect your average self-employed earnings over the tax year to be more than you'll get over the next 3 months as an employee.

Certain types of income will not count towards the minimum amount you must earn to be eligible.

These include:

- dividends
- interest
- income from investing in property
- pension payments

If you or your partner have an expected '[adjusted net income](#)' over £100,000 in the current tax year, you will not be eligible.

### **Your child**

Your child must be 11 or under and usually live with you. They stop being eligible on 1 September after their 11th birthday.

Adopted children are eligible, but foster children are not.

If your child is disabled and usually lives with you, you may get up to £4,000 a year until 1 September after their 16th birthday. They're eligible for this if they:

- get Disability Living Allowance, Personal Independence Payment, Armed Forces Independence Payment, Child Disability Payment (Scotland only) or Adult Disability Payment (Scotland only)
- are [certified as blind or severely sight-impaired](#)

### **Your immigration status**

To be eligible for Tax-Free Childcare, you must have a National Insurance number and at least one of the following:

- British or Irish citizenship
- [settled or pre-settled status](#), or you have applied and you're waiting for a decision
- permission to access public funds - your UK residence card will tell you if you cannot do this

If you have a partner, they must have a National Insurance number too.

If you're living in an EU country, Switzerland, Norway, Iceland or Liechtenstein, you (or your partner if you have one) might still be eligible for Tax-Free Childcare if:

- your work is in the UK
- the work started before 1 January 2021
- you've worked in the UK at least once every 12 months since you started working here

This is known as being a '[frontier worker](#)'. You must show your Frontier Worker permit to the Childcare Service when you apply for Tax-Free Childcare.

### **If you get tax credits, Universal Credit, a childcare bursary or grant, or childcare vouchers**

You cannot get Tax-Free Childcare at the same time as claiming Working Tax Credit, Child Tax Credit, Universal Credit or childcare vouchers.

Which scheme you're better off with depends on your situation. Use the [childcare calculator](#) to work out which type of support is best for you.

### **Tax credits**

If you successfully apply for Tax-Free Childcare, your Working Tax Credit or Child Tax Credit will stop straight away. You cannot apply for them again.

### **Childcare vouchers**

You must tell your employer within 90 days of applying for Tax-Free Childcare to stop [your childcare vouchers or directly contracted childcare](#).

They'll then stop the vouchers or directly contracted childcare.

You may have to give HMRC evidence of leaving the childcare voucher scheme. For example, a copy of the letter telling your employer you're leaving the childcare voucher scheme.

If you have a partner who gets vouchers or directly contracted childcare, they'll need to tell their employer to stop this within 90 days too.

### **Universal Credit**

Wait until you get a decision on your Tax-Free Childcare application before cancelling your Universal Credit claim.

### **Bursaries**

If you or your partner get a childcare bursary or grant or expect to do so within the next 3 months, you cannot get Tax-Free Childcare.

### **Apply**

[Apply online for Tax-Free Childcare](#)

If you apply for Tax-Free Childcare and someone else already gets 30 hours free childcare for that child, their 30 hours will stop at the end of the next term. You will be eligible for 30 hours free childcare instead.

### **If you have a partner**

You must include your partner in your application if you are:

- married or in a civil partnership and live together
- not married or in a civil partnership, but living together as though you are

Their employment and income will not affect your eligibility if they:

- are or will be absent from your household for more than 6 months
- are a prisoner

**You and your partner cannot both have accounts for the same child.**

**If you are separated**

You and your ex-partner need to decide who should apply if you are jointly responsible for your child.

If you cannot decide, both of you must apply separately and HMRC will decide who gets a childcare account.