

Tax-Free Childcare: helping working parents pay for childcare

What is Tax-Free Childcare?

Tax-Free Childcare is a new UK-wide scheme will become available to around 2 million households. Designed to help working parents with their childcare costs, the scheme allows parents to open an online bank account to pay registered childcare providers directly. For every £8 parents pay into these accounts, the government will add £2. The money can then be spent on childcare. Parents can receive up to £2,000 in government support per child, per year, or £4,000 for disabled children.

Tax-Free Childcare can be used to pay for:

- Pre schools
- Registered childminders
- Day nurseries
- School based care (that is paid for, such as after-school clubs)

How does Tax-Free Childcare work for providers?

Over 100,000 letters have been sent to childcare providers across the country, inviting them to sign up for the government's new offer. They must do this in order to receive payments from parents. To sign up, childcare providers should visit www.childcare.tax.service.gov.uk

Employer-Supported Childcare will continue to run alongside Tax-Free Childcare and the current scheme will remain open to new entrants until April 2018. Childcare providers will be able to receive payments from both Tax-Free Childcare and childcare vouchers.

For more information providers can visit the [Top things providers need to know on Gov.uk](#)