



Childcare assistance: Employee guide

Description

Introduction

In this guide I explain support for **childcare** costs.

Children aged two, three and four

For all children in England aged three and four parents get 15 hours of free childcare a week. The entitlement is actually 570 free hours per year, which is usually taken as 15 hours a week for 38 weeks of the year.

Parents who are in work can get 30 hours free **childcare** per week (1,140 hours per year) for three- and-four-year-olds. Parents have to be working at least 16 hours per week, and there is no eligibility if either parent earns over £100,000.

From April 2024, eligible working parents of two-year-olds will get 15 hours of free **childcare**.

Childcare support will be extended further.

From September 2024, 15 hours of free **childcare** will be extended down to the age of nine months for eligible working parents.

And from September 2025, eligible working parents of children aged nine months and upwards will be entitled to 30 hours free **childcare** per week right up to their child starting school.



Tax-free childcare

Under the Government scheme parents may pay up to £2,000 per year for each of their children under the age of 12, or if the child is disabled they may pay up to £4,000 up until the child is 17.

The Government will pay £2 for every £8 a parent pays into their **childcare** account. The scheme is referred to as tax free, on the basis that most people pay 20% tax.

The parents have to be working at least 16 hours per week, and there is no eligibility if either parent earns over £100,000.



Childcare vouchers

Some employers operate **childcare** voucher schemes through salary sacrifice, so employees sacrifice part of their salary to purchase vouchers to pay for their **childcare**. It has been possible to take up to £55 a week of wages as childcare vouchers with no tax or national insurance liability.

From 4 October 2018 childcare voucher schemes have closed to new applicants. If an employee has joined a scheme and received their first voucher (i.e. they have received their adjusted salary) by 4 October 2018 they can continue getting vouchers. This is provided that they stay with the same employer and the employer continues to run the scheme and the employee does not take an unpaid career break longer than a year. Childcare vouchers are going to be phased out over time.



Other support

Some parents may be entitled to Child Tax Credit, Working Tax Credit and Universal Credit.

This guide is intended for guidance only and should not be relied upon for specific advice.

If you need any advice on **childcare** assistance please do not hesitate to contact me on [020 37971264](tel:02037971264).