



Tax-Free Childcare Myth busting Factsheet



Have you been putting off signing up for Tax-Free Childcare, because...



Myth



Reality

“I can’t get Tax-Free Childcare, because I’m working”

To get Tax-Free Childcare **you must** work at least 16 hours a week earning the national minimum wage. This includes being:

- self-employed
- on maternity leave, parental leave, sick leave or annual leave.

“I earn too much to claim Tax-Free Childcare”

Parents and carers can earn up to **£100k each** per year and still be eligible for TFC. Saving up to **£2,000 each** year per child (or **£4,000 each** year if the child has a disability).

“My child is too old for me to claim Tax-Free Childcare”

Your child **doesn’t stop** being eligible until the September following their 11th birthday (16 if disabled).

You can use Tax-Free Childcare, for example, to help pay for registered afterschool and breakfast clubs.

For more information visit [GOV.UK](https://www.gov.uk)



Myth



Reality

“Using Tax-Free Childcare will affect my tax or other benefits I claim”

Tax-Free Childcare will not affect your tax. It simply gives you 20% towards your childcare costs.

“I can’t get Tax-Free Childcare as I’m Self Employed”

Unlike vouchers, self-employed parents **can get support** with childcare costs through the Tax-Free Childcare offers.

“Reconfirming every 3 months is too much hassle”

Reconfirming is **easy** - Login to your childcare account, click on **‘Reconfirmation’** then click ‘continue’ to see ‘Your reconfirmation summary’.

If your details are correct, read the ‘Declaration’, click ‘Accept’ and then click ‘Send’. You’ve reconfirmed when you see **‘Thank you’**.

If you’re still undecided about signing up , checkout our helpful Tax-Free Childcare Question and Answer Factsheet and use the childcare calculator on GOV.UK



Question and Answer factsheet

If you're undecided about signing up to Tax-Free Childcare, the following may help:

Your money

If I don't use my childcare account every month, will I lose any money that I've already paid in?

No, but if you withdraw any money you'll lose your top up.

If I use Tax-Free Childcare, will I get £2000 per child?

It depends on the amount you pay into your childcare account. The **maximum** you'll get (yearly), is **£2000 per child** (£4000 if disabled).

I'm getting childcare vouchers. Would I be better off with Tax-Free Childcare?

This depends on your circumstances, for example, if you're self-employed, you'd be better off, because you can't get vouchers.

Can I only use my Tax-Free Childcare to pay my childcare provider at their hourly rate?

No, you can use Tax-Free Childcare to pay your childcare bill, regardless of how it's been itemised.

Do I pay my childcare provider, then claim the money back through my childcare account?

No, you pay your provider direct from your childcare account.

Your location

Am I eligible if I live in Northern Ireland, Wales or Scotland?

Yes, Tax-Free Childcare is available to all eligible UK parents.

Am I eligible if I live and pay my tax in Northern Ireland, but use a childcare provider in the Republic of Ireland?

Yes, but you'll need to call **0300 123 4097** to check your eligibility.

Will I be eligible if I live in Northern Ireland, but work in the Republic of Ireland?

Yes, if you or your partner pays UK tax and completes (annually) a Self-Assessment tax return and foreign income page. The person completing the tax return will be the childcare account holder.



Your Tax and pay

Can I get Tax-Free Childcare if I'm a higher rate taxpayer?

Yes, because your eligibility isn't dependent on how much tax you pay, so it won't affect your income tax liability or any other tax you pay, for example, VAT.

Will my employer deduct my Tax-Free Childcare payments from my pay?

No, your employer isn't involved in the Tax-Free Childcare process. You pay money into your childcare account and the government will top this up. You can use this money to pay your childcare provider.

Benefits

I'm not eligible for benefits, so can I still claim Tax-Free Childcare?

Not being eligible for benefits, makes it more likely that you can claim, because you can't claim Tax-Free Childcare at the same time as Working Tax Credit, Child Tax Credit and Universal Credit.

Other

Can I get Tax-Free Childcare if I'm a single parent?

Yes, if you're eligible.

Can I get Tax-Free Childcare for more than one child?

Yes, if they're eligible.

I think I earn too much to get Tax-Free Childcare?

You and your partner (if you have one) can both work and each earn up to £100,000 a year, and still be eligible for Tax-Free Childcare.

If my child has a disability, can I get a 40% rather than 20% top-up?

No, the top up is still 20% for a disabled child, but the maximum amount is increased from £2,000 to £4,000.

Can I use Tax-Free Childcare to pay family or friends who look after my child?

No, you can only pay for registered childcare, for example, a childminder or a before and after school club.