

Save some Money on the cost of Childcare for your Children

Parents may now get help towards the cost of childcare through **tax credits** and **childcare voucher schemes**. Here is a very brief summary of how these schemes can help you, with telephone numbers and links for further information.

Tax Credits

These are payments from the government to help with the day to day costs for families and individuals. The **Child Tax Credit** is paid to families with children regardless of whether the parents work. The **Working Tax Credit** provides a top up to wages and help with *registered or approved childcare costs.

To apply for the childcare element of Working Tax Credit, lone parents or both members of a couple must work at least 16 hours a week or more (unless one member of the couple is incapacitated).

Parents are able to get 80% of their childcare costs paid for, up to a maximum weekly amount of:
£175 x 80% = £140 a week for one child; or
£300 x 80% = £240 a week for two or more children.

Please note that the Working Tax Credit and the Child Tax Credit are both means tested.

The HM Revenue & Customs tax credit calculator and the tax credit helpline will both be able to give you an estimate of the amount of tax credits you will receive from the date of your enquiry to the end of the financial year:

- www.taxcredits.inlandrevenue.gov.uk Click on "Do I qualify".
- Tax Credit Helpline on 0845 300 3900 or textphone 0845 300 3909.

Childcare Vouchers

Childcare vouchers are one of the ways in which employers can help their employees with the cost of their *registered or approved childcare, including Extra Time activities. All eligible working parents, with children aged under 16 are able to use childcare vouchers, provided their employer offers the childcare voucher scheme.

Each employee enters into a salary sacrifice, giving up a proportion of their salary in exchange for childcare vouchers which are not means tested. Childcare vouchers, up to a limit of £55 per week or £243 per month, are exempt from tax and National Insurance contributions. This means there is a saving to the basic tax payer (22%), of over £960 per year and higher tax payer (40%), of over £1190 per year.

To find out more about childcare vouchers, contact:

- HM Revenue and Customs at www.hmrc.gov.uk/childcare/childcarefactsheet.htm
- The Daycare Trust at www.daycaretrust.org.uk and click on "Information for Parents"
- Steve Laurence, Oxfordshire County Council, Children & Families Service. Tel: 01235 547175
email steve.laurence@oxfordshire.gov.uk

*'Registered and approved childcare' includes out-of-hours clubs on school premises run by a school.