

# Tax-Free Childcare Explained

## A parents guide to the 'Tax-Free Childcare' scheme from Connect Childcare



### What is the 'Tax-Free Childcare' scheme?

Tax-Free Childcare is a new scheme which gives eligible families up to £2,000 free per child towards childcare costs.

You will be able to open a new online childcare account via [www.childcarechoices.gov.uk](http://www.childcarechoices.gov.uk) which for every £8 you pay into, the government will pay in an extra £2 (up to £2,000), so it effectively gives you basic-rate tax back on what you pay, hence the scheme's name.

### Am I entitled to tax-free childcare?

To qualify, parents must be working and each earning at least £120 a week. Tax-free childcare can't be used at the same time as childcare vouchers, Universal Credit or tax credits. However, 30 hours free childcare can be received alongside this.

You're usually eligible if your child is under 12 (17 if disabled) and all of the following apply to you (and/or partner):

- are 16 or over
- are over 21 and earn on average at least £120 a week, unless in your first year of self-employment
- earn less than £100,000 a year each
- don't get other support with your childcare, including from a childcare voucher or salary sacrifice scheme



### How do I apply for tax-free childcare?

You can apply for tax-free childcare at [www.childcarechoices.gov.uk](http://www.childcarechoices.gov.uk). You will need to provide your email address and your child's date of birth.

### Is tax-free childcare right for me?

If you are unsure whether tax-free childcare or childcare vouchers is best for you, [www.giveyourselfachoice.com](http://www.giveyourselfachoice.com) have a free calculator to help you make an informed decision.



For more information and to  
apply for funding visit:

[childcarechoices.gov.uk](http://childcarechoices.gov.uk)

