



HM Revenue  
& Customs

# Working Tax Credit: help with the costs of childcare


If you receive tax credits you could claim extra help with costs if all of the following apply to you:

- you're responsible for a child
- you work at least 16 hours a week (see page 3)
- your childcare provider is registered or approved

Read this leaflet for more information and to help you work out what costs you can claim

If you need a tax credit claim pack, you can:

- phone the Tax Credit Helpline on 0345 300 3900
- textphone the Tax Credit Helpline on 0345 300 3909

 For our opening hours, go to [www.gov.uk/contact-hmrc](http://www.gov.uk/contact-hmrc)

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## Who can claim

You could make a claim for help with the costs of childcare if:

- you're responsible for a child
- you work at least 16 hours a week
- your childcare provider is registered or approved

You can only claim help with childcare costs for a child up to the Saturday:

- following 1 September after their 15th birthday
- after their 16th birthday if:
  - they're certified as severely sight impaired or blind by a consultant ophthalmologist
  - you receive Disability Living Allowance or Personal Independence Payment for that child

If you're claiming childcare costs for more than one child, and the oldest child reaches the cut-off age, work out your new childcare costs for any younger children staying in childcare. If your average weekly costs stop or go down by £10.00 or more you must tell us straightaway and within one month from the date of the change.

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## Responsibility for a child

You're responsible for a child if they usually live with you. If you share responsibility for a child with someone who isn't your partner, decide which of you has the main responsibility. That person should then claim Child Tax Credit for the child.

You're not responsible for a child if they:

- get tax credits, Employment and Support Allowance, Universal Credit, Income Support or income-based Jobseeker's Allowance in their own right
- are looked after by a local authority that is paying towards the cost of their accommodation or maintenance
- have been sentenced to more than 4 months in custody or detention
- have ceased full-time non-advanced education or approved training and have started work for 24 hours or more a week

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## Working hours


If you're part of a couple and responsible for a child you can claim if:

- you both usually work at least 16 hours a week each
- one of you usually works at least 16 hours a week and the other is:
  - incapacitated and getting a benefit for disability or illness
  - an inpatient in hospital
  - in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence)
  - entitled to Carer's Allowance

### From 6 April 2017, the following changes apply:

- the individual child element of Child Tax Credit will no longer be awarded for third and subsequent children or qualifying young persons in a household, born on or after 6 April 2017, there are exceptions - for more information go to [www.gov.uk/hmrc/ctc-exceptions](http://www.gov.uk/hmrc/ctc-exceptions)
- the family element of Child Tax Credit will only be payable if you're responsible for a child or qualifying young person born before 6 April 2017

The 2 child limit doesn't apply to the childcare element of Working Tax Credit or the disability element of Child Tax Credit. You can claim these 2 elements for all children who meet the conditions.

 For more information about child disability element, go to GOV.UK and search for TC956.

To ensure you don't miss out on what you're entitled to you should still report the birth of a child and any changes involving your children or young people, even if you won't get the child or family elements for them.

## Who we treat as Incapacitated

You're treated as incapacitated if you receive:

- Disability Living Allowance, Personal Independence Payment or Armed Forces Independence Payment
- Attendance Allowance
- Severe Disablement Allowance
- Incapacity Benefit at the short-term higher rate or long-term rate
- Industrial Injuries Disablement Benefit (with Constant Attendance Allowance for you)
- War Disablement Pension (with Constant Attendance Allowance or Mobility Supplement for you)
- Council Tax Benefit or Housing Benefit with a Disability Premium or Higher Pensioner Premium for you
- contribution-based Employment and Support Allowance (ESA) if you have had
  - this allowance for 28 weeks or more
  - Statutory Sick Pay (SSP) followed by contribution-based ESA for a combined period of 28 weeks or more

The 28 weeks doesn't need to be a single continuous period. You can add together any periods that you were paid:

- contribution-based ESA, as long as they were no more than 12 weeks apart
- SSP, as long as they were no more than 8 weeks apart
- SSP, with periods that you got contribution-based ESA, as long as they were no more than 12 weeks apart and you met the contribution conditions for contribution-based ESA on the days that you got SSP

## If you're temporarily absent from work

You may still get help with childcare costs when you're on:

- sick leave
- maternity leave
- paternity leave
- adoption leave
- shared parental leave

But usually you'll still need to have worked a certain number of hours immediately before you went on leave.

## If you're off sick

If **all** of the following apply, we'll treat you as working if:

- you're off sick for 28 weeks or less
- you were working 16 hours or more a week immediately before going off sick

We'll also treat you as working if you were:

- on maternity, paternity or adoption leave
- on the first 10 days of strike leave
- suspended from work

(These conditions apply as long as you were working at least 16 hours a week before taking leave or being suspended)

- getting one of a number of state benefits, for example Employment and Support Allowance, Statutory Sick Pay or National Insurance Credits because you have limited capability for work (that is, your illness or disability affects the amount and type of work you can do or would do but you don't qualify because you're self-employed)

## **If you're on maternity, paternity, adoption or shared parental leave**

We treat you as working if, immediately before you went on leave, you were working the required number of hours applicable to your circumstances and you are:

- getting Maternity Allowance
- on ordinary maternity or adoption leave
- in the first 13 weeks of additional maternity or adoption leave
- on your 2 weeks ordinary paternity leave
- on shared parental leave

If you don't return to work after 39 weeks you may not qualify anymore. Phone our helpline if this happens.

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## **Registered or approved childcare providers**

### **Your responsibility when claiming childcare costs**

You can only claim help with your childcare costs if your childcare provider is registered or approved. You're responsible for making sure that the childcare provider you use is registered or approved. You should:

- check your childcare provider's documents to confirm that they're registered or approved
- keep a record of the date their registration or approval is due to expire and
  - close to the expiry date check to make sure that your provider is renewing their registration or approval
  - ask to see their new evidence of registration or approval

### **What is registered or approved childcare**

England - read pages 5 and 6.

Scotland - read page 7.

Wales - read pages 7 and 8.

Northern Ireland - read page 8.

Crown servants working abroad - read page 8.

### **Registered or approved childcare: England**

To get help with childcare costs in England, your childcare provider must be registered or approved. You won't be able to claim tax credits if they're not.

#### **If you use a childminder, playscheme, childcare club or nursery**

Your childcare provider needs to be registered in one of the following ways. They need to be registered on the:

- Early Years Register (EYR) with either Ofsted or an Ofsted registered childminder agency if your child is under 5 years of age
- compulsory part of the General Childcare Register (GCR) with either Ofsted or an Ofsted registered childminder agency if your child is aged 5 to 7
- voluntary part of the GCR with either Ofsted or an Ofsted registered childminder agency if your child is aged 8 or over

Before claiming help with your childcare costs, check with your provider that they're on the correct register. Some providers, such as nannies who provide care in the child's own home, don't need to register on the EYR or the compulsory part of the GCR. If you use this type of provider and you want to get help with your childcare costs, your provider must register on the voluntary part of the GCR.

#### **If an approved foster carer looks after your child**


You can claim help with your childcare costs if you use an approved foster carer, but they must be registered with Ofsted on the Early Years Register or General Childcare Register. You can't claim for childcare costs for looking after your own foster child.

### **If a care worker or nurse looks after your child**

You can claim help with your childcare costs if you use a domiciliary care worker or nurse to look after your child at home. However, they must be from an agency that is registered under the Domiciliary Care Agencies Regulations 2002.

### **Early education for 2, 3 and 4-year-olds**

Some eligible 2-year-olds (including some from families receiving Working Tax Credit) and all 3 and 4-year-olds are entitled to 570 hours a year of free early education with a registered provider. This is normally taken as 15 hours per week during term time, but can be taken as fewer hours per week over more weeks if available. There's no obligation to take the full number of hours and you may be able to take fewer hours to begin with and increase them later as your child settles in. You don't need to pay for a child's free early education place and don't have to take up additional services to access their free place. However, you can claim for any additional childcare you pay for outside of the free entitlement.

 For more information about free early education, go to [www.gov.uk/freechildcare](http://www.gov.uk/freechildcare)

### **If you use childcare provided by a school**

If your child is 3 or 4 years old, both the following must apply for this type of care to count as approved for tax credits, the childcare:

- is provided under the direction of the school's governing body or the person responsible for managing the school
- takes place on school premises or on other premises that may be inspected as part of an inspection of the whole school by Ofsted or an equivalent inspection body appointed to inspect certain independent schools, for example, the Independent Schools Inspectorate, Bridge Schools Inspectorate or the Schools Inspection Service


If your child is between 5 and 15 years old (or 16 years old if your child is disabled), all of the following must apply for this type of care to count as approved for tax credits. The childcare must be provided:

- out of school hours
- under the direction of the school's governing body or under the direction of the person responsible for managing the school
- on the school premises, or on other premises that may be inspected by Ofsted or by an equivalent inspection body appointed to inspect certain independent schools, for example, the Independent Schools Inspectorate, Bridge Schools Inspectorate or the School Inspection Service - an example of other premises could be a village hall used by the school for its out of school hours childcare activities

#### **How to check if your childcare provider is registered or approved in England**

All childcare providers who are registered by Ofsted or an Ofsted registered childminder agency in England are given a letter or certificate as evidence of their registration or approval.

Some childcare providers must regularly (for example, each year) reapply for registration or approval. If this applies to your childcare provider, the letter or certificate issued to them will clearly show when their registration or approval expires. To check if their registration is still valid you can contact Ofsted:

 go to [www.gov.uk/government/organisations/ofsted](http://www.gov.uk/government/organisations/ofsted)

- phone 0300 123 1231

Where a provider is registered with a childminder agency, you'll need to check with the relevant agency to see if the provider's registration is valid. The provider will be able to give you contact details for the childminder agency and these will also be available on the Ofsted website.

## Registered or approved childcare: Scotland

To get help with your childcare costs in Scotland only one of the following must apply, your childcare provider must either be:

- registered with the Social Care and Social Work Improvement Scotland (SCSWIS) - this is also known as the Care Inspectorate
- a childcare club that is registered with SCSWIS to provide childcare out of school hours
- a person from a registered childcare agency, sitter service or nanny agency providing childcare in the child's home

You can also claim help with your childcare costs if you use:

- an approved foster carer
- a kinship carer

A kinship carer is like a foster carer but they already know the child they're looking after because they're either related or a family friend.

If you use a foster carer or kinship carer for your childcare they must be registered with SCSWIS as a childminder or a daycare provider.


You can't claim for childcare costs for looking after:


- your own foster child
- a child as part of a kinship care arrangement

### How to check if your childcare provider is registered or approved in Scotland

All childcare providers who are registered by SCSWIS are given a letter or certificate as evidence of their registration or approval.

Some childcare providers must regularly (for example, each year) reapply for registration or approval. If this applies to your childcare provider, the letter or certificate issued to them will clearly show when their registration or approval expires.

 For more information on childcare, go to [www.scottishfamilies.gov.uk](http://www.scottishfamilies.gov.uk)

 For more information on registered childcare, go to [www.scswis.com](http://www.scswis.com)

## Registered or approved childcare: Wales

To get help with your childcare costs in Wales only one of the following must apply, your childcare provider must be:

- registered with the Care and Social Services Inspectorate Wales (CSSIW)
- a school that provides childcare out of school hours and on school premises
- a local authority that provides childcare out of school hours
- a domiciliary care worker or nurse providing care to your child at home - however, they must be from an agency that is registered under the Domiciliary Care Agencies Regulations 2002
- someone approved by the Approval of Child Care Providers (Wales) Scheme 2007 providing childcare in the child's home, or if several children are being looked after, in one of the children's homes

### If a foster carer cares for your child

You can claim help with your childcare costs if you use a foster carer for your childcare and your child is under:


- 8, the foster carer must be registered with the CSSIW
- 16, and the care is in your child's home, the foster carer must be approved by the Childcare at Home Approval Scheme

You can't claim for childcare costs for looking after your own foster child.

### **i** How to check if your childcare provider is registered or approved in Wales

Childcare providers are given a letter or certificate as evidence of their registration or approval if they're:

- registered by the CSSIW
- approved under a home childcare providers scheme

 For more information on childcare, go to [www.wales.gov.uk](http://www.wales.gov.uk) and search for childcare.

## **Registered or approved: Northern Ireland and Crown servants working abroad**

### **Northern Ireland**

To get help with your childcare costs in Northern Ireland only one of the following must apply, your childcare provider must be:

- registered with a Health and Social Services Trust
- a school that provides out of school hours childcare on the school premises
- an Education and Library Board that provides out of school hours childcare
- a person approved by the Approval of Home Child Care Providers (Northern Ireland) 2006 Scheme, providing childcare in the child's home

### **If a foster carer cares for your child**

You can claim help with your childcare costs in Northern Ireland if you use a foster carer for the childcare. If your child is under:

- 12, the foster carer must be registered with a Health and Social Services Trust
- 16, and the care is in your child's home, the foster carer must be approved under the Home Childcare Approval Scheme


You can't claim for childcare costs for looking after your own foster child.

### **i** How to check if your childcare provider is registered or approved in Northern Ireland

Childcare providers are given a letter or certificate as evidence of their registration if they're:

- registered by a Health and Social Services Trust
- approved under the Home Child Care Providers Scheme

To check their registration is still valid contact the Early Years Team in your local Health and Social Care Trust.

 Go to [www.nidirect.gov.uk](http://www.nidirect.gov.uk) and search for Early Years Teams.

### **Crown servants working abroad**

If you're a civil servant or a member of the Armed Forces posted overseas and your child has gone with you, you can get help with your childcare costs if your childcare provider is approved under a Ministry of Defence accreditation scheme abroad.

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## **Changing your childcare provider**

If your provider stops being registered or approved, and you want to carry on getting help with your childcare costs, you'll need to make alternative arrangements for registered or approved childcare.

Tell us straightaway, and within one month, if you stop using registered or approved childcare. The help with childcare costs will stop the day after the registration or approval ends. If you don't tell us on time, we might pay you too much tax credits which you'll have to pay back. You might also have to pay a penalty of up to £300.



You should tell us if you change your provider, even if you're still paying the same amount to the new provider, giving:

- their name
- their address, including the postcode
- their phone number
- the name of the registration or approval body and registration number, if one was given to them as part of the registration process
- the date of the change
- the amount you're paying to them for childcare

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## Childcare costs paid by someone else

You can't claim for:

- any childcare costs you pay using childcare vouchers, this is the amount you get from your employer towards your childcare costs (either in cash or in vouchers) and includes vouchers in return for a reduction in your pay (known as a 'salary sacrifice')
- childcare costs met by your local authority (or your local education authority) for early learning or nursery education for your child - for example, where your local authority in England meets the cost of 15 hours a week free early years education for children aged 3 and 4
- payments you get from the government towards your childcare costs because you're a student or you're starting work

You can still claim for any childcare costs that you actually pay for.

However, if your employer pays only some of your childcare cost in vouchers, and you pay for the rest, you can make a claim for what you pay.

### **Childcare vouchers**

If your employer offers you childcare vouchers, including vouchers in return for a reduction in your pay through salary sacrifice, it will affect how much tax credits you can get.



If you want to know if you would be better off taking the childcare vouchers, go to [www.gov.uk/childcare-vouchers-better-off-calculator](http://www.gov.uk/childcare-vouchers-better-off-calculator)

## Childcare provided by a relative

You can't usually claim help with childcare provided by relatives, even if they're registered or approved.

You can claim if the relative is a:

- registered childminder who cares for your child outside of your child's own home
- childcare provider approved under a Home Child Care Providers Scheme in Wales or Northern Ireland, who cares for your child outside of your child's own home - but they must also care for at least one other child that isn't related to them

### **What we mean by relative**

A relative could be:

- your child's parent, grandparent, aunt, uncle, brother, sister or step-parent
- a person with a strong relationship to the child, for example, someone in a parental position regarding their partner's children

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## What childcare costs you can claim

You can only claim for the actual amounts you pay for any childcare you use. If your costs include an amount paid as a retainer, phone our helpline for more information. See page 19 for contact details.

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## How much help you can get

You can get help with up to 70% of your childcare costs - subject to a maximum weekly limit. If you pay childcare for:

- one child, the maximum childcare costs you can claim is £175 a week
- 2 or more children, the maximum childcare costs you can claim is £300 a week

This means that the maximum help you can get for your childcare through tax credits is:

- £122.50 a week for one child
- £210 a week for 2 or more children

Number of children	Weekly limit on costs	Percentage of costs you can get help with	Maximum tax credits for childcare
One child	£175	70%	$£175 \times 70\% = £122.50$
2 or more children	£300	70%	$£300 \times 70\% = £210$

The actual amount you get will also depend on your income.

If you employ someone as a registered or approved home childcare provider, for example a nanny, you can get help for up to 70% of the gross costs of employing them - within the limits above. You can include the costs of any:

- employer's National Insurance contributions you pay
- benefits in kind you give
- other costs linked with employing that person

## We may need more information

During your award of tax credits, we may write to you to ask for information to help us make sure you're getting the right help with your childcare costs.

We may ask you to:

- tell us how you worked out your average weekly childcare costs
- tell us whether your childcare costs have changed
- send us evidence to show how much you pay for childcare costs, such as invoices, bank statements or receipts

It's important that you keep these documents safe so you can send them to us if we ask you to. If we ask you for original documents, we'll return them to you.

We can't accept photocopies.

It's very important you give us the information we need, or tell us about any difficulties you have providing it. If you don't send us this information we may reduce or stop your tax credits.

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## When to claim

You can claim help with your childcare costs:

- as soon as you start paying for childcare
- up to 7 days before your childcare starts
- even if you need the childcare for only a short time - read page 14

You need to claim help with childcare costs within one month of when you start to pay them - we can't pay you for any costs you have paid before then.

## What information we'll need from you

As part of your claim, whether you're filling in the tax credits claim form or phoning our helpline, we'll need you to give us:

- the contact details for your childcare provider, including
  - name
  - address, including postcode
  - phone number
  - name of registering or approving body
  - registration or approval number
- your average weekly childcare costs - read pages 12 to 14

We may check information with your provider, so we need the correct details for them.

If you use more than one childcare provider, or you use a different provider at different times of the year (for example, in school holidays), you need to give us the details of all your providers. Tell us straightaway if you change your provider(s).

Also tell us straightaway if you stop using the childcare to avoid building up an overpayment of tax credits, which you'll have to pay back.

### **Claiming childcare costs for the first time**

#### **To claim help with your ongoing childcare costs**

Fill in Part 3 of the claim form when claiming tax credits.

#### **To claim help for a short fixed period of childcare**

1. Leave out the details of your childcare when claiming tax credits.
2. Send your claim form to us.
3. Phone our helpline once your award has gone into payment and tell us you want to claim for a short fixed period of childcare - but don't phone earlier than 7 days before your childcare starts.

Read page 14 for more information about claiming for short periods of childcare.

We use your average weekly childcare costs to work out how much help you can get. On your claim form only state your average weekly costs, you need to use the correct way to work out that average. The way you work out your average weekly costs depends on the way you pay for childcare - read pages 12 to 14. Always round your average up to the nearest pound.

#### **Already getting tax credits**

If you're already getting tax credits but start paying for registered or approved childcare and want to claim help with your costs, phone our helpline.

#### **You pay childcare for more than one child or to more than one provider**

It's the total you pay each week that you should use to work out your average weekly costs - read page 15.

#### **What to include in your childcare costs**

Only include what you actually pay when working out your average weekly costs.


Don't include costs covered by childcare:

- payments from your employer - either in money or childcare vouchers
- vouchers in return for a reduction in your pay - this is called a 'salary sacrifice'
- payments or grants from a government scheme, for example, to help you start work or included in your student grant
- costs met by your educational or local authority for your child's nursery childcare

## How to work out your average weekly childcare costs

### If you have been using childcare for less than a year

Use this table to help you work out your average weekly childcare costs, or you can use the online calculator.

 Go to [www.gov.uk/childcare-costs-for-tax-credits](http://www.gov.uk/childcare-costs-for-tax-credits)

<b>You always pay the same weekly amount</b>	Use the total amount you pay each week - this is your average weekly childcare costs.
<b>You pay different weekly amounts</b>	<ol style="list-style-type: none"><li>1. Work out what you expect to spend in total on childcare over the next 52 weeks - start from the date you're working out your costs.</li><li>2. Divide the total by 52 - this is your average weekly childcare costs.</li></ol>
<b>You always pay the same monthly amount</b>	<ol style="list-style-type: none"><li>1. Take the total amount you pay each month.</li><li>2. Multiply that amount by 12.</li><li>3. Divide the total by 52 - this is your average weekly childcare costs.</li></ol>
<b>You pay different monthly amounts, or you pay by any other frequency</b>	<ol style="list-style-type: none"><li>1. Work out the total amount you expect to spend on childcare over the next 12 months.</li><li>2. Divide the total by 52 - this is your average weekly childcare costs.</li></ol>

### If you have arranged childcare which is due to start in the next 7 days

Ask your provider for a written estimate of how much they will charge you and use that amount to work out your average weekly costs.

#### Example: your childcare is due to start in the next 7 days

Sinead has just arranged to pay a nursery £100 a week to look after her daughter. She will pay the same amount every week. The arrangement doesn't start until next week. Sinead's average weekly costs are £100.

### If you have been using childcare for a year or more and always pay the same amount

Use this table to help you work out your average weekly childcare costs.

 **Always round your average up to the nearest pound.**

<b>You pay weekly</b>	Use the total amount you pay each week - this is your average weekly childcare costs.
<b>You pay monthly</b>	<ol style="list-style-type: none"><li>1. Take the total amount you pay each month.</li><li>2. Multiply that amount by 12.</li><li>3. Divide the total by 52 - this is your average weekly childcare costs.</li></ol>
<b>You pay fortnightly (every 2 weeks)</b>	<ol style="list-style-type: none"><li>1. Take the total amount you pay each fortnight.</li><li>2. Divide that amount by 2 - this is your average weekly childcare costs.</li></ol>
<b>You pay every 4 weeks</b>	<ol style="list-style-type: none"><li>1. Take the total amount you pay every 4 weeks.</li><li>2. Divide that amount by 4 - this is your average weekly childcare costs.</li></ol>
<b>You pay yearly</b>	<ol style="list-style-type: none"><li>1. Take the total amount you pay every year.</li><li>2. Divide that amount by 52 - this is your average weekly childcare costs.</li></ol>
<b>You pay each term</b>	Phone the Tax Credit Helpline on 0345 300 3900 for help in working out your average weekly childcare costs.

## If you have been using childcare for a year or more and pay different amounts

Sometimes you may pay, or expect to pay, different amounts for childcare. For example, you regularly use childcare, but may pay more, or less, during school holidays than you do in term-time.

Work out your average costs as follows:

1. Work out the total amount you have paid for childcare in the last 52 weeks (or 12 months if you pay monthly or any other frequency) - start backwards from the date you're working out your costs.
2. Divide the total by 52 - this is your average weekly childcare costs.

### Example 1 - You pay monthly, but different amounts

Irene pays for childcare monthly but the amount she pays changes from month to month. In the last 12 months Irene's costs were:

1 month at £240	$1 \times £240 = £240$
3 months at £200	$3 \times £200 = £600$
2 months at £320	$2 \times £320 = £640$
6 months at £160	$6 \times £160 = £960$
Total for year	£2,440

To work out the average, the total amount is divided by 52 (because there are 52 weeks in a year).

So Irene's average weekly costs are  $£2,440 \div 52 = £46.92$ . Round this up to £47.

### Example 2 - You pay weekly but different amounts

Ahmed normally pays £60 a week for registered childcare during term-time.

In the school holidays he pays for 10 weeks at £100 a week.

His total costs for 52 weeks are:

39 weeks at £60	$39 \times £60 = £2,340$
10 weeks at £100	$10 \times £100 = £1,000$
Total for year	£3,340

To work out the average, the total amount is divided by 52 (because there are 52 weeks in a year).

So Ahmed's average weekly costs are  $£3,340 \div 52 = £64.23$ . Round this up to £65.

**Note:** Ahmed has correctly only included costs for the weeks that he has actually paid for.

## If you only use childcare for short periods once in a while

Even if you don't normally use childcare, you might need it once in a while for short fixed periods. For example this could be during school holidays, or to cover an emergency. You may be able to claim help with your costs just for the short time you need the childcare. This means the help for your childcare is worked out and paid over the short time you use the care.

For this to happen:

- you must only use childcare once in a while - for example only during the summer holidays or in an emergency
- your childcare must be for a fixed period - this means you know when it will start and end

Otherwise, the help for your childcare will be worked out and paid over 52 weeks.

If you'd prefer to claim help averaged and paid over the year, work out your average weekly costs by following the guidance - read pages 12 and 13.

If you're already getting tax credits, phone the helpline to claim help for a short period of childcare. Do this as soon as your childcare starts, or up to 7 days before.

You'll need to tell us:

- the start and end dates of the childcare
- your actual childcare costs for the short period
- your childcare provider's details - their name, address (including postcode), phone number and childcare registration or approval number

If you're not already getting tax credits, you'll need to fill in a claim form - read the information box on page 11.

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## Changes you must tell us straightaway

You must tell us if:

- your childcare provider stops being registered or approved
- you stop using a registered or approved childcare provider
- your average weekly childcare costs go down by £10 or more
- your childcare costs fall to zero
- you start getting other help towards your childcare costs

### **i You must tell us straightaway and within one month if you have any of these changes.**

If you delay telling us and we pay you too much tax credits, you'll have to pay it back. You may also have to pay a penalty of up to £300 if you don't report the change to us within one month.

**If you give wrong childcare costs you may have to pay a penalty up to £3,000 or be prosecuted.**

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## How to work out if your average weekly childcare costs have changed

### Your childcare costs might go up or down

How you work out changes in your average weekly childcare costs will depend on how you worked out your average weekly childcare costs in the first place.

#### If you always pay the same amount

##### You pay weekly

Work out your new average weekly costs - see page 12 for help on how to do this.

Compare your new average weekly costs with the old average you gave us. If it's different by £10 a week or more in each week for 4 weeks in a row and your new average weekly costs are at least £10 lower or higher than your old average weekly costs, you need to tell us about it.

##### You pay monthly or any other frequency

Work out your new average weekly costs - read page 12 for help on how to do this.

Compare your new average weekly costs with the old average you gave us. If it's different by £10 a week or more, you need to tell us about it.

#### You don't always pay the same amount

To work out your new average weekly costs:

1. Add up what you expect to pay in total over the next 52 weeks (or 12 months if you pay monthly or any other frequency).
2. Divide the total by 52 - this is your new average weekly childcare costs
3. Compare your new average weekly costs with the old average you gave us. If it's different by £10 a week or more, you need to tell us about it.

#### You pay childcare for more than one child or to more than one provider

It's the change in the total you pay each week that we're interested in:

1. Add together all the average weekly costs you pay for your children - this is your new average weekly childcare costs.
2. Compare your new weekly average costs with the old average you gave us. If it's different by £10 a week or more, you need to tell us about it.

#### How changes to childcare costs affect your payments

If your new average weekly childcare costs are at least £10:

- lower than the old average you gave us - the help for your childcare won't go down in the week the change happened or for the following 3 weeks
- higher than the old average you gave us - we'll increase the help for your childcare from the first week of the change

## If your childcare costs go down by £10 per week or more

If you pay the same amount every week, this means in each week, for 4 weeks in a row, your new average weekly costs are at least £10 lower than your old average weekly costs.

If you don't pay weekly, or you pay different amounts, this means your new average weekly childcare costs are at least £10 lower than your old average weekly costs.

### Example - childcare costs go down by £10 a week or more

Ahmed's childcare costs vary, because he pays more in the school holidays. His average weekly costs are £65.

On 2 October, Ahmed starts working shorter hours and needs his childminder to look after his children for fewer hours each week.

He now pays £40 a week in term-time (totalling 39 weeks) and £80 a week for 10 weeks of the school holidays. He doesn't have any childcare costs for 3 weeks in the summer holidays, as the children stay with their grandparents.

In the next 52 weeks Ahmed will spend:

10 school holiday weeks at £80 a week	$10 \times £80 = £800$
39 term-time weeks at £40 a week	$39 \times £40 = £1,560$
3 weeks summer holidays with grandparents	= £0
Total for 52 weeks	£2,360

To work out the new weekly average, the total amount is divided by 52 (because there are 52 weeks in a year).

So Ahmed's new average weekly costs are  $£2,360 \div 52 = £45.38$  (round up to £46).

This is more than £10 lower than his old average of £65 a week. Ahmed must tell us about this change within one month.

**Note:** Ahmed has only included costs for weeks that he has actually paid for.



## Your average weekly childcare costs go up by £10 or more

If you pay the same amount every week, this means in each week, for 4 weeks in a row, your new average weekly costs are at least £10 higher than your old average weekly costs.

If you don't pay weekly, or you pay different amounts, this means your new average weekly childcare costs are at least £10 higher than your old average weekly costs.

The help for your childcare will increase from the first week of the change.

If you don't tell us about your childcare costs going up on time you may not get as much tax credits as you should. To get any increase backdated to the week in which your costs first increased you must tell us within one month of that first week.

### Examples: childcare costs go up £10 a week or more

#### Example 1

Pat's average weekly childcare costs are £50. Then his costs drop for 6 weeks to £45 a week. He can ignore this, as the change is less than £10 a week on average.

After those 6 weeks, he starts paying £70 a week and expects this to be his payment from now on. That's an increase of £10 or more a week on average. He should tell us straightaway, as he is entitled to more help with his childcare.

#### Example 2

Jane's average weekly childcare costs are £50 because she always pays that fixed weekly amount. For 2 weeks, she needed her childminder to look after her child for more hours and paid her an extra £20 a week. Things are back to normal, and Jane is again paying her childminder £50 a week.

There's no need for Jane to report this to us as this is not a relevant change.

The increase in the actual childcare charges by £10 or more a week did not last for 4 weeks in a row, it only applied to 2 of the weeks.

#### Example 3

Shahida usually pays £300 a month for approved childcare. Her average weekly childcare costs are £70 a week, worked out like this:

Multiply the monthly amount by 12	$£300 \times 12 = £3,600$
Divide by 52	$£3,600 \div 52 = £69.23$
Round up to	£70

On 2 July Shahida's children start to go to a new childminder who charges £350 a month. She needs to work out her new average weekly costs like this:

Multiply the monthly amount by 12	$£350 \times 12 = £4,200$
Divide by 52	$£4,200 \div 52 = £80.77$
Round up to	£81

That's an increase of £10 or more a week on average. Shahida should tell us straightaway and within one month, to make sure she doesn't lose out on tax credits.

## If the change in your childcare costs is less than £10 a week on average

This is not a relevant change and you don't have to tell us.

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## Other changes you should tell us about

### Changing your childcare provider

If you change your childcare provider, tell us even if you're still paying the same amount to the new provider, and give us:

- their name
- the date of the change
- their address including the postcode
- their phone number
- the name of the registration or approval body and registration number, if one was given to them as part of the registration process

We check with childcare providers from time to time, to confirm the details of childcare claims are correct. If you don't give us up to date details, we might contact the wrong provider. If this happens, and we can't check the details of your claim, we may stop paying you tax credits for your childcare.

Give us accurate information about:

- your childcare provider
- when you change your childcare provider
- the childcare costs you pay

#### Remember

We'll stop paying you for your childcare costs if you stop qualifying for Working Tax Credit, so it's important to keep us up to date with any changes in your circumstances. You must tell us within one month if:

- you or your partner stop working
- your normal working hours, or your partner's, go below 16 hours a week
- your partner is no longer
  - an inpatient in hospital
  - in prison serving a custodial sentence or remanded in custody awaiting trial or sentence
  - getting their disability benefit mentioned on page 4
  - entitled to Carer's Allowance

**If you delay telling us and we pay you too much tax credits, you'll have to pay it back. You may also have to pay a penalty of up to £300 if you don't report the change to us within the time limit.**

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## Help for you

If you need any help:

- 📍 go to [www.gov.uk/taxcredits](http://www.gov.uk/taxcredits)
- ☎ phone the Tax Credit Helpline on 0345 300 3900
  - textphone the Tax Credit Helpline on 0345 300 3909
- 📍 For our opening hours, go to [www.gov.uk/contact-hmrc](http://www.gov.uk/contact-hmrc)

### Your rights and obligations

'Your Charter' explains what you can expect from us and what we expect from you.

- 📍 For more information, go to [www.gov.uk/hmrc/your-charter](http://www.gov.uk/hmrc/your-charter)

Ffoniwch 0300 200 1900 i dderbyn fersiynau Cymraeg o ffurflenni a chanllawiau.

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## Help for your childcare provider

Our factsheet WTC5/CP, 'Working Tax Credit - the childcare element' tells childcare providers what they need to know about the childcare element of Working Tax Credit.

- 📍 For more information, go to GOV.UK and search for WTC5/CP.

We've a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Contact our helplines for more information.

These notes are for guidance only and reflect the position at the time of writing. They don't affect any right of appeal.

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