

Working Tax Credit

- Help with the costs of childcare

Help

If you need any help:

- go to www.gov.uk/browse/benefits/tax-credits
- 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/hmrc/contact or phone us.

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

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

We have 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.

Please contact our helplines for more information.

Remember
Tax credits are flexible
and change when your
life changes

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Introduction

If you work, are responsible for a child or children and pay for childcare you may be able to get extra help with the costs. This is through the childcare element of Working Tax Credit.

This guide tells you:

- who can claim
- when to claim
- what childcare costs you can claim for
- changes you need to tell us about if you are already claiming help with your childcare costs

For childcare providers

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.

If you are a childcare provider and would like a copy:

- go to www.hmrc.gov.uk/leaflets/wtc5-hs.pdf
- phone our helpline, if you do not have access to the internet

Who can claim

If you are responsible for a child and pay for childcare you can claim if you work at least 16 hours a week.

If you are 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

Remember that you can only claim help with childcare costs for any child up to:

- the Saturday following 1 September after their 15th birthday
- the Saturday after their 16th birthday if
 - the child is 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 are claiming childcare costs for more than 1 child, and the older child has reached the cut-off age, you will have to recalculate your childcare costs as you will no longer be able to claim for childcare for that child. If your average weekly costs go down by £10 or more, you must tell us as soon as possible, and **within 1 month**.

If you're temporarily absent from work

You may still get Working Tax Credit when you're on:

- sick leave
- maternity leave
- paternity leave
- adoption leave

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

If you are on maternity, paternity or adoption 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 get Maternity Allowance
- you are on ordinary maternity or adoption leave
- you are in the first 13 weeks of additional maternity or adoption leave
- you are on your 2 weeks ordinary paternity leave, or up to a maximum 26 weeks additional paternity leave

Introduction continued

If you're off sick

If all of the following apply, we will 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 treat you as working if you were 1 of the following
 - 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
- you are getting 1 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 don't return to work after 28 weeks you may not qualify any more. Please phone our helpline if this happens.

Incapacitated

You are 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, Council Tax Reduction Scheme 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

When to claim

You can claim:

- as soon as you start paying for childcare
- up to 7 days before your childcare starts

You need to claim help with childcare costs within 1 month of when you start to use them - we can't pay you for any costs you have had before that.

You can only claim help with childcare costs for any child up to:

- the Saturday following 1 September after their 15th birthday
- the Saturday following 1 September after their 16th birthday if
 - the child is certified as severely sight impaired or blind by a consultant ophthalmologist
 - you get Disability Living Allowance or Personal Independence Payment for that child

What childcare costs you can claim

You can claim for the costs of any registered or approved childcare that you pay for.

You can only claim for the amounts you actually pay. If your costs include an amount paid as a retainer, please phone our helpline for more information.

What registered or approved childcare is

For England - read **pages 3 and 4**.

For Wales - read **page 5**.

For Scotland - read **page 6**.

For Northern Ireland - read **page 7**.

Crown servants working abroad - read **page 7**.

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

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

Your childcare provider needs to be registered in 1 of the following ways. They need to be:

- registered on the Ofsted Early Years Register (EYR) with either Ofsted or an Ofsted registered childminder agency if your child is under 5 years of age
- registered on the Ofsted compulsory part of General Childcare Register (GCR) with either Ofsted or an Ofsted registered childminder agency if your child is aged 5 to 7
- registered on the Ofsted 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, first check with your provider that they are 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 the foster carer must be registered with Ofsted on either their EYR or the GCR. 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.

If you use childcare provided by a school

If your child is either 3 or 4 years old, this type of care will also count as approved for tax credits if:

- the childcare is provided under the direction of the school's governing body or the person responsible for managing the school
- the childcare 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

Both of the above must apply for this type of childcare to count as approved.

If you use childcare provided by a school – continued

If your child is between 5 years and 15 years old (or 16 years old if your child is disabled) this type of care will count as approved for tax credits if:

- the childcare is provided out of school hours
- the care is provided under the direction of the school's governing body or under the direction of the person responsible for managing the school
- the care is provided 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

All of the above must apply for this type of childcare to count as approved.

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

All 3 and 4-year-olds and some eligible 2-year-olds (including some from families receiving Working Tax Credit) are entitled to 570 hours a year of free early education at 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 a provider is able to provide that. There is 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 do not need to pay for a child's free early education place and do not have to take up additional services to access their free place. You can, however, 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

How you know 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 approval or registration. If this applies to your childcare provider, the letter or certificate issued to them will clearly say when their approval or registration expires. To check if their registration is still valid contact Ofsted.

Go to www.ofsted.gov.uk or phone **0300 123 1231**. Where a provider is registered with a childminder agency, you will 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.

To get help with your childcare costs in Wales, 1 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 1 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.

If your child is:

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

You cannot claim for childcare costs for caring for your own foster child.

How you know 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 are:

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

For more information on childcare, go to www.wales.gov.uk

Under Topics select Children and young people then Childcare.

To get help with your childcare costs in Scotland, your childcare provider must 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

One of the above must apply.

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 are 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 you know 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 approval or registration. If this applies to your childcare provider, the letter or certificate issued to them will clearly say when their approval or registration expires.

For more information on childcare, go to www.scottishfamilies.gov.uk

For more information on registered childcare, go to www.scswis.com

Northern Ireland and Crown servants working abroad

Northern Ireland

To get help with your childcare costs in Northern Ireland, 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

One of the above must apply.

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
- under 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.

How you know 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 are:

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

To check if their registration is still valid contact the Early Years Team in your local Health and Social Care Trust. Go to www.nidirect.gov.uk and in the Search facility enter 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.

Your responsibility when claiming childcare costs

You can only claim help with your childcare costs if your childcare provider is registered or approved. You are 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 are registered or approved
- keep a record of the date their registration or approval is due to expire
 - 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

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

Tell us as soon as possible, and **within 1 month**, if you stop using registered or approved childcare. The help for your childcare won't go down in the week the change happened or for the following 3 weeks. If you don't tell us on time, we might pay you too much tax credits which you will have to pay back. You might also have to pay a penalty of up to £300.

If you change your provider, you should tell us even if you are 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 are paying to them for childcare

Childcare costs you can't claim for

You can't claim for:

- the amount you get from your employer towards your childcare costs (either in cash or in vouchers) - this 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 are a student or you are starting work

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

So, for example, 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 provided by a relative

You can't usually claim help with childcare provided by relatives, even if they are 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
- a 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 1 other child that is not related to them

Childcare vouchers

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

If you want to know whether, overall, you would be better off taking the childcare vouchers, go to www.hmrc.gov.uk/calcs/ccin.htm

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

How much help with childcare costs you can get

You can get help with up to 70% of your childcare costs - subject to a maximum limit in the amount of childcare costs you can claim each week.

If you pay childcare for:

- 1 child, the maximum childcare cost you can claim is £175 a week
- 2 or more children, the maximum cost 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 1 child
- £210 a week for 2 or more children

The actual amount you get will 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 opposite. You can include:

- the costs of any employer's National Insurance contributions you pay
- the costs of any benefits in kind you give
- any 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 are 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 is important that you keep these documents safe so that you can send them to us if we ask you to. If we ask you for any original documents, we cannot accept photocopies but we will return your documents to you securely.

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

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

Claiming help with your childcare costs

How to claim tax credits

If you want a claim pack:

- 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/hmrc/contact or phone us.

When to claim

You can claim help with your childcare costs:

- as soon as you start paying childcare costs
- if you have arranged a childcare provider, up to 7 days before the 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 1 month** of when you start to pay them - we can't pay you for any costs you have paid before that.

What information we will need from you

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

- the contact details for your childcare provider
 - name
 - address, including postcode
 - phone number
 - name of registering or approving body
 - registration or approval number if they were given one when they applied for registration or approval
- your average weekly childcare costs - read **pages 12 to 14**

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

If you use more than 1 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. Please tell us as soon as possible if you change your provider(s).

Also tell us as soon as you stop using the childcare to avoid building up an overpayment of tax credits, which you will have to pay back.

Claiming tax credits 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 - phone no earlier than 7 days before your childcare starts.

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

Already getting tax credits

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

We use your average weekly childcare costs to work out how much help you can get with childcare costs. On your claim form state only your average weekly costs, but 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.

You pay childcare for more than 1 child or to more than 1 provider

It is the **total** you pay each week that you use to work out your average weekly costs - read **page 17**.

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
- childcare vouchers in return for a reduction in your pay - this is called a 'salary sacrifice'
- childcare payments or grants from a government scheme, for example, to help you start work or included in your student grant
- childcare 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've been using childcare for less than a year - and you're already using childcare

Use this table to help you work out your average weekly childcare costs. You can also use the online calculator. Go to www.gov.uk/childcare-costs-for-tax-credits

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

Always round your average up to the nearest pound.

Example - You always pay the same amount

Karim pays his childminder £50 a week, so his average weekly costs are £50.

If you've just arranged childcare - 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 does not start until next week. Sinead's average weekly costs are £100.

How to work out your average weekly childcare costs continued

If you've 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.

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

How to work out your average weekly childcare costs continued

If you've 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.

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'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 will 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 **page 11**.

If you would prefer to claim help averaged and paid over the year, work out your average weekly costs by following the guidance - read **pages 12 to 14**.

Example - 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 x £240 = £240
3 months at £200	3 x £200 = £600
2 months at £320	2 x £320 = £640
6 months at £160	6 x £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 - 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 x £60	= £2,340
10 weeks at £100	10 x £100	= £1,000
Total		= £3,340

His average weekly costs are therefore £3,340 divided by 52 (because there are 52 weeks in a year) which comes to £64.23. Round this up to £65.

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

Changes you need to tell us about - within 1 month

Your childcare provider stops being registered or approved

For example:

- your childcare provider's Ofsted registration has been withdrawn
- your childcare provider has decided not to renew their registration

You stop using a registered or approved childcare provider

For example:

- your child no longer needs childcare
- you start using a provider who isn't registered or approved

Your average weekly childcare costs go down 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 lower than your old average weekly costs.

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

Read **pages 17 and 18** for more examples.

Your childcare costs fall to zero

This might happen, for example, if a relative starts to look after your child in the child's home.

You start getting other help towards your childcare costs

For example:

- you start getting help with your childcare from a local authority or any government departments such as the free early education for 2, 3 and 4-year-olds
- you start getting help with your childcare costs through your employer, such as childcare vouchers in return for a reduction in your salary (salary sacrifice)
- you start getting childcare payments from the government to help you start work or are included in your student grant
- you no longer qualify for childcare costs as a couple because 1 of you is now working less than 16 hours a week - read the 'Who can claim' section on **page 1**.

You must tell us as soon as possible and **within 1 month** if you have any of these changes.

If you delay telling us and we pay you too much tax credits, you will have to pay it back. You may also have to pay a penalty of up to £300 if you do not report the change to us within 1 month.

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

Changes you need to tell us about - within 1 month continued

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.

Read **pages 17 and 18** for more information and examples.

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 **1 month** of that first week.

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

This is not a relevant change and you do not have to tell us.

You must phone the Tax Credit Helpline on **0345 300 3900** as soon as possible and **within 1 month** if you have any of these changes.

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 at least £10 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

Work out your new average weekly costs like this.

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 1 child or to more than 1 provider

It is the change in the **total** you pay each week that we are 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.

Please tell us as soon as possible and within 1 month of the date of the change.

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.

If your new average weekly childcare costs are at least £10 higher than the old average you gave us - we will increase the help for your childcare from the first week of the change.

Example - You don't always pay the same amount

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 does not 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 x £80	= £800
39 term-time weeks at £40 a week	39 x £40	= £1,560
3 weeks summer holidays with grandparents		= £0
Total for 52 weeks (including weeks where there is no cost)		= £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 1 month.

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

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

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 as soon as possible, 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 is 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: $£300 \times 12 = £3,600$ and divide this figure by 52: $£3,600 \div 52 = £69.23$. Round this 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: $£350 \times 12 = £4,200$ and divide this figure by 52: $£4,200 \div 52 = £80.77$. Round this up to £81.

That's an increase of £10 or more a week on average. Shahida should tell us as soon as possible or within 1 month, to make sure she doesn't lose out on tax credits.

What other changes you have to tell us about

To avoid building up an overpayment of tax credits, please report the change to us as early as possible.

You don't have to wait for 4 weeks if you are sure the change will last.

For example, if you are now using less childcare because your child has started school.

Please tell us as soon as possible and within 1 month of the date of the change.

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.

If your new average weekly childcare costs are at least £10 higher than the old average you gave us. We will increase the help for your childcare from the first week of the change.

If you are already claiming help with your childcare costs, phone our helpline straightaway if your costs change and you think we need to adjust your award.

What other changes you have to tell us about

What if you change childcare provider

If you change your childcare provider, please tell us even if you are 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 that the details of claims for childcare are correct. If you do not 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 could stop paying you tax credits for your childcare.

Please give us accurate information about:

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

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

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

Remember that you can only claim help with childcare for any child up to:

- the Saturday following 1 September after their 15th birthday
- the Saturday following 1 September after their 16th birthday if
 - the child is 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 are claiming childcare costs for more than 1 child, and the older child has reached the cut-off age, you will have to recalculate your childcare costs as you will no longer be able to claim for childcare for that child. If your average weekly costs go down by £10 or more, you must tell us as soon as possible, and **within 1 month**.

Remember that we will 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 1 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
 - is no longer in prison serving a custodial sentence or remanded in custody awaiting trial or sentence
 - has stopped getting their disability benefit mentioned on **page 2**
 - is no longer entitled to Carer's Allowance

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

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