



Inland  
Revenue

# Help with the costs of child care

Information for parents and child care providers

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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## General information

We produce a wide range of leaflets. You might find these useful.

WTC1 Child Tax Credit and Working Tax Credit. An introduction  
WTC/AP How to appeal against a tax credit decision or award.

Our leaflets are available at [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk) and from any Inland Revenue office or Enquiry Centre. Most offices are open to the public from 8.30am to 5.00pm, Monday to Friday. Addressees are in your local phone book under 'Inland Revenue' and at [www.inlandrevenue.gov.uk/local](http://www.inlandrevenue.gov.uk/local).

You can get most of our leaflets from our Orderline, seven days a week (except Christmas Day, Boxing Day and New Year's Day) by

- phone or textphone (for Minicom users) on **0845 9000 404** between 8.00am and 10.00pm
- fax on **0845 9000 604**
- e-mail at [saorderline.ir@gtnet.gov.uk](mailto:saorderline.ir@gtnet.gov.uk)
- writing to  
PO Box 37  
St Austell  
Cornwall  
PL25 5YN.

Orderline calls are charged at local rates.

Your library or Citizens Advice Bureau may also have copies of some of our leaflets, but may not have them all.

We have a full range of services for people with disabilities, including leaflets in Braille, audio and large print. For details, please ask your local Inland Revenue office or Enquiry Centre.

For more information in England contact

- OFSTED
  - by phoning **0845 601 4771**, or
  - on the Internet at [www.ofsted.gov.uk](http://www.ofsted.gov.uk)
- the National Care Standards Commission (responsible for registering domiciliary care agencies)
  - by phoning **0191 233 3556**, or
  - on the Internet at [www.carestandards.gov.uk](http://www.carestandards.gov.uk).

For more information in Scotland contact the Scottish Commission for the Regulation of Care

- by phoning **0845 60 30 890**, or
- on the Internet at [www.carecommission.com](http://www.carecommission.com)

For more information in Wales contact the Care Standards Inspectorate for Wales

- by phoning **01443 848450**, or
- on the Internet at [www.wales.gov.uk/subsocialpolicy/carestandards/index.htm](http://www.wales.gov.uk/subsocialpolicy/carestandards/index.htm).

For more information in Northern Ireland contact your local Health and Social Services Trust.

From April 2003, two new tax credits have been introduced: **Child Tax Credit** and **Working Tax Credit**. **Working Tax Credit** includes an element to help with the costs of child care (the 'child care element').

## Introduction

This leaflet explains about the child care element and how it affects parents and child care providers.

Child Tax Credit and Working Tax Credit are two new tax credits that will provide support for families and help to make work pay. They are designed to tailor support to families' specific circumstances, and to respond to their changing needs, providing most support when their need is the greatest. The new tax credits replace

- Children's Tax Credit
- Working Families' Tax Credit (WFTC)
- Disabled Person's Tax Credit (DPTC)
- from April 2004, the money for children in Income Support and income-based Jobseeker's Allowance
- the New Deal 50+ Employment Credit.

**Child Benefit** is not affected by the introduction of Child Tax Credit and Working Tax Credit. Families with children can still claim Child Benefit as normal and it will continue to be paid as a separate payment.

## Working Tax Credit

Working Tax Credit supports working households on low incomes by topping up earnings. It is made up of a number of elements depending on your circumstances. For example, extra amounts are available to those who work at least 30 hours a week and to those who are working and have a disability. It also includes an element to help with the costs of registered or approved child care, known as the **child care element**.

If you are responsible for a child or young person, you can claim Working Tax Credit if

- you are aged 16 or over and work at least 16 hours a week.

If you are not responsible for a child or young person, you can claim Working Tax Credit if

- you are aged 25 or over and work at least 30 hours a week
- you are aged 16 or over and work at least 16 hours a week and you have a disability which puts you at a disadvantage in getting a job **and** you satisfy either the 'qualifying benefit' test or the 'fast-track' rules (you can find out more about this in the notes that come with the claim form), or
- you are aged 50 or more and work at least 16 hours a week and are returning to work after at least six months spent on a qualifying out-of-work benefit.

## Child Tax Credit

Child Tax Credit provides support for families who are responsible for children aged under 16 (under 19 where the child is studying full-time up to A-level, NVQ level 3, or equivalent). The amount you get is based on your household income. You can claim whether or not you are in work.

Help with child care costs is **not** given through Child Tax Credit.

## Help and advice

If you think you might be entitled to Child Tax Credit or Working Tax Credit or both, you can go online at [www.inlandrevenue.gov.uk/taxcredits](http://www.inlandrevenue.gov.uk/taxcredits) to check your eligibility. If you find you are entitled to tax credits, you will be able to make your claim online immediately.

If you would like a claim pack sent to you or you need further advice about tax credits, you can

- phone our Helpline on **0845 300 3900** (England, Scotland & Wales) or **0845 603 2000** (Northern Ireland)
- textphone the Helpline on **0845 300 3909** (England, Scotland and Wales) or **0845 607 6078** (Northern Ireland)
- visit any Inland Revenue Enquiry Centre.

Child care providers can call the dedicated Tax Credits Childcare Provider's Helpline on **0845 300 3941** for advice on the child care element of the Working Tax Credit.

Our Helplines are open between 8.00am and 8.00pm, seven days a week (except Christmas Day, Boxing Day, New Year's Day and Easter Sunday).

For information about Child Benefit and a claim pack contact the Child Benefit Office

- for England, Scotland and Wales on **0845 302 1444**
- for Northern Ireland on **028 9054 9000**.

For more information about registered or approved child care, including becoming a childminder, contact one of the advice centres below.

## Advice centres

For national and local child care information in England and Scotland contact CHILDCARE LINK

- by phoning **08000 96 02 96**, or
- on the Internet at [www.childcarelink.gov.uk](http://www.childcarelink.gov.uk).

## Making a claim for 2003-2004

For tax credit awards beginning in April 2003, **you will have to provide**

- your income details (and those of your partner if you have one) for the tax year 2001-2002 (that is, from 6 April 2001 to 5 April 2002), and
- your National Insurance number (and that of your partner). It looks like this - AB 12 34 56C.

To help you claim, you should keep any information you have or are sent about your income during the tax year 2001-2002. For example, you (and your partner) should keep

- the P60 tax certificate given to you by your employer after the end of that tax year, and your form P11D or P9D (if you receive one)
- any statements your bank and building society send you of taxable interest received in that year, and
- details of your taxable profits or losses for that year, if you were self-employed.

If you are self-employed as a childminder you need to make sure that you provide details of your 'taxable profits' from childminding even if you did not earn enough to pay any tax. Taxable profits means the amount you received in fees for childminding, less any expenses you incurred wholly and exclusively for the purpose of running your childminding business. For example, you should deduct the costs of

- any business phone calls
- providing meals for the children, or
- maintaining and heating the part of your house that you use for childminding.

If you need help working out your taxable profits, call the Self Assessment Helpline on **0845 9000 444** or see the Self Assessment Help Sheet IR222 'How to calculate your taxable profits' which you can get from the Self Assessment Helpline, your local Inland Revenue Enquiry Centre or online at

[www.inlandrevenue.gov.uk/sa/forms/content.htm](http://www.inlandrevenue.gov.uk/sa/forms/content.htm)

### Who can qualify for the child care element?



For details of how to get a claim form see page 19

### What child care costs can I claim for?

## The child care element of Working Tax Credit

To qualify for the child care element you must be over 16 and

- **if you are a lone parent**, you must work 16 hours a week or more, or
  - **if you are in a couple**
    - **both of you** must work 16 hours a week or more, or
    - **one member** of the couple must work 16 hours a week or more **and** the other must be 'incapacitated' or in hospital or prison.
- (Incapacitated means the person is in receipt of one of the incapacity or disability benefits listed in the notes to the tax credits claim form. For details of how to get a claim form see page 19.)

If you are receiving Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay or Maternity Allowance whilst on leave you are still counted as working 16 hours a week or more if you normally worked at least 16 hours a week before going on leave.

You **cannot** claim for the cost of child care for the new child that you have taken leave to look after until you go back to work, but you **can** still claim the child care element for the costs of child care for any other children in the family.

You should claim Child Tax Credit and Child Benefit for the new child as soon as possible.

You can claim the child care element for the costs of any **registered** or **approved** child care that you pay for. You can only claim for the amounts you actually pay.

If you receive vouchers to cover some of the costs of your child care you **cannot** claim for the portion of costs covered by the voucher (even if you receive the vouchers in arrears and then cash them in).

You must be responsible for the children who the child care is paid for.

You can claim the child care element for any child up to

- 1 September following their 15th birthday, or
- 1 September following their 16th birthday if the child is registered blind, or has been taken off the blind register within the last 28 weeks, or you receive Disability Living Allowance for the child



### How much help with child care costs will I get?

The child care element can provide help with up to 70% of your child care costs, subject to maximum limits on the weekly costs you can claim for.

If you pay for child care for

- one child, the maximum cost you can claim for is £135 a week
- two or more children, the maximum is £200 a week.

The maximum amount of child care element you can receive is shown in the table below, but the actual amount of help you get will depend on your income.

Number of children	Weekly limit on costs	Percentage of costs covered by child care element	Maximum child care element available
One child	£135	70%	$£135 \times 70\% = \text{£94.50}$
Two or more children	£200	70%	$£200 \times 70\% = \text{£140.00}$

**Note** If you employ someone as an approved home child care provider, you can claim for the **gross** costs of employing that person. You should include the costs of any employer's National Insurance contributions you pay, the cost of any benefits in kind you provide and any other costs associated with employing that person.

### What counts as 'registered or approved' child care?

You can **only** claim the child care element for the costs of registered or approved child care, which includes

- registered childminders, nurseries and playschemes
- out-of-hours clubs on school premises run by a school or local authority
- child care schemes run by school governing bodies under the 'extended schools' scheme'
- child care schemes run by approved providers, for example, an out-of-school-hours scheme, or a provider approved under a Ministry of Defence accreditation scheme

### What if I am the child's parent and I look after my child as part of my work as a childminder or I work in the nursery my child attends?

But you **cannot** claim for child care costs if the child care is provided mainly in the child's own home if you are a 'relative' of the child. Relative means a parent, grandparent, aunt or uncle, brother or sister (whether by blood, half-blood, marriage or affinity), and includes step-parents.

If you are a childminder you cannot claim for the costs of looking after your own children.

If you work for a registered or approved nursery or playscheme that your child attends and you pay for your child to attend then you can claim for those costs.

### Can child care providers claim tax credits?

If you are responsible for children of your own you can claim **Child Tax Credit**. You may also be able to claim **Working Tax Credit**. (See page 1 for details about who can claim Working Tax Credit.)

For the purposes of claiming Working Tax Credit

- you can count any hours you work as a childminder or in a nursery or playscheme
- you can claim if you are employed or self-employed as long as you work enough hours
- you can add together the hours you work in different jobs.

The amount of Child Tax Credit and Working Tax Credit you are entitled to will depend on your income (or joint income, if you are part of a couple).

You can claim the **child care element** in the same way as any other claimant, but you **cannot** claim for the costs of looking after your own child even if you look after them at the same time as you are childminding other children.

*What can providers do if they think a change has not been reported?*

If you think a parent has not reported a change in their child care costs to us when they should have done so, you should contact the Tax Credits Childcare Provider's Helpline on **0845 300 3941**. We can then contact the parent directly, to clarify the status of their tax credit award.

When we contact the parent we may give them details of the information that you gave us. However, we cannot discuss any other specific details of a parent's claim with you, as a child care provider.

*What if I am not registered or approved?*

The child care element is **only available** to help with the costs of registered or approved child care. If you are not a registered or approved provider, parents cannot claim the child care element to help with the costs of any child care you provide.

For details about registering as a childminder contact your national authority (details are listed on page 20).

*How do I become approved to care for children in their own home?*

In England you can be approved under the Home Childcare Approvals Scheme (for more information contact OFSTED, details are on page 20).

In Scotland, you should contact the Scottish Commission for the Regulation of Care (details are on page 20) about working for a sitter service or agency registered to provide child care in the child's own home.

*I am related to the child or parent making the claim. Can they still get tax credits for the cost of the child care that I provide?*

Under current rules about registered childminding, a person who intends to look after children that they are related to, doesn't have to register as a childminder unless they also intend to look after other children.

However, as long as you are registered or approved, the parent will be able to claim for the child care costs. For example, if you are a registered childminder who looks after a number of children and some are related to you, the parents of the related children can still claim the child care element.



Contact details for all the national authorities listed can be found on page 20

- in England only, child care provided in your own home\* by a person approved to care for your child or children
- in England only, child care provided in your own home\* by a domiciliary worker or nurse from a registered agency who cares for the child or children, and
- in Scotland only, child care provided in your own home\* by (or introduced through) child care agencies, including sitter services and nanny agencies, which are required to be registered.

\*You cannot claim for the costs of child care provided in your own home if the person approved to provide that child care is a 'relative' of your child. Relative means a parent, grandparent, aunt or uncle, brother or sister (whether by blood, half-blood, marriage or affinity), and includes step-parents.

A registered childminder, nursery or child care scheme, or an approved home child care provider, is one that is registered or approved

- in England, by OFSTED or the National Care Standards Commission
- in Wales, by the National Assembly for Wales (through the Care Standards Inspectorate for Wales)
- in Scotland, by the Scottish Commission for the Regulation of Care, and
- in Northern Ireland, by a Health and Social Services Trust.

Certain out-of-school schemes or schemes run by school governing bodies may be approved by local authorities or local education authorities. You can also claim for help with the costs of using one of these schemes.

## Claiming the child care element

You can make your claim for the child care element by filling in the relevant details in Part 3 of the tax credits claim form.

If you are already receiving tax credits but have recently started to pay for registered or approved child care and want to claim help with your costs, you can report the change in your circumstances by phoning the tax credits Helpline (see page 19).

You can claim the child care element as soon as you start paying child care costs or, if you have made an arrangement with a child care provider, up to one week beforehand. Once you have started paying child care costs, **do not delay** making a claim as we cannot give you a credit for any costs you have paid more than three months before you claim.

As part of your claim you must include

- contact details for your child care provider (their name, address, telephone number and registration number if your provider has one), and
- details of your average weekly child care costs.

We may check details directly with your provider so any claim for the child care element must include valid contact details for them.

If you use more than one provider or you use a different provider at different times of the year (for example, in school holidays) you must give us the details of all your providers. You should tell us straight away if you change your provider.

*How do I work out my average weekly child care costs?*

When you first claim, the child care element is based on the average weekly child care costs you pay. On the claim form you only need to state your average weekly costs but you need to make sure you use the correct method to work out that average.

The way you work out your average weekly costs depends on the way you pay for child care.

**If you pay for child care weekly and pay the same amount each week** work out your average weekly costs by adding together your weekly costs for the last four weeks and dividing the total by four.

*When do you make these checks?*

We carry out follow-up checks at any time of the year. The child care element can be adjusted to reflect changes in a parent's average weekly child care costs, so we may carry out further checks over the year to make sure any changes in costs have been reported.

*What happens if you disagree with the information that has been given to you?*

If, after checking with you, we disagree with the information that the claimant gave us

- we may stop payments of the child care element if they were not entitled to it, and
- the claimant may have to pay back any amounts already paid. They may also be liable to pay a penalty of up to £3,000.

**Note** When we follow up a discrepancy with the claimant we will give them the information that you gave us about their child care costs.

*What changes do parents need to report?*

The amount of child care element a parent receives can be increased if their average weekly costs rise by £10 a week or more.

The parent can tell us about this change from the start of the first week of the change (as long as it lasts for **at least four weeks**). If they wait longer than three months to tell us, he or she will not get the increase in their tax credit backdated to the first week of the change.

The child care element will be decreased if the average weekly costs fall by £10 a week or more, or fall to zero.

**i** See the examples on pages 7 to 11 for more details on how parents should work out their average weekly child care costs

The parent **must** tell us about any decreases **within three months**

of the date of the change. In this case, the reduction in the tax credit only happens after the end of the fourth week in a row in which the average weekly costs decreased. If a parent doesn't tell us about these decreases they may be liable

- to pay back any tax credit that has been overpaid, and
- to a penalty of up to £300.

We do not need to know about changes in average costs of less than £10 a week.

A parent should also tell us about a change in child care provider so that follow-up checks are not made to the wrong provider.



**We will not release your registration number to any other organisation.**

We carry out follow-up checks to make sure that a false registration number or a registration number of a provider the person is not actually using is not being used to claim tax credits. You can enter the number in the appropriate part of the claim form for the parent if you wish, but the parent is responsible for the information they give on the form.

When a parent claims the child care element we may check the details of their child care costs by directly contacting you, as the child care provider. We will initially make these checks by telephone wherever possible.

When we phone we will confirm some details with you (for example, your registration number) so that you can be sure the person is calling from the Inland Revenue. If you have any doubts, take the person's name and call the dedicated Tax Credits Childcare Provider's Helpline on **0845 300 3941**, they will either

- put you through to the person who called you originally, or
- arrange for that person to call back at a convenient time.

The purpose of this check is to make sure that the child care costs that the parent is claiming for match the arrangement they actually have with you, as their child care provider.

If we are unable to carry out a follow-up check over the phone we might write to you asking for information. If you receive a written request for information from us you will be given at least 35 days to respond.

You can also choose to provide the information in writing instead of over the phone if you wish.

**Note** These checks are only for the purpose of checking the details of the parent's tax credit claim. They **do not** affect your own tax credits claim or tax affairs.

### What follow-up checks do you make?

#### Example 1

Karim normally pays his childminder £50 a week. His average weekly costs are

$$\frac{50 + 50 + 50 + 50}{4} = \frac{£200}{4} = \text{£50}$$

**If you pay for child care weekly and you pay different amounts at different times** (for example, you pay more in the school holidays than you do during term-time) work out your average costs by taking the total amount you have paid for child care in the last 52 weeks and dividing that by 52 (this includes taking account of any increases in costs you had during the school holidays or at any other times, and it can include weeks when you did not pay anything for child care).

If it is less than 52 weeks since you started using child care you should work out what you expect to spend on child care in the next 52 weeks and divide that by 52.

#### Example 2

Shahida normally pays £40 a week for child care. However, in the Easter holidays (two weeks), summer holidays (six weeks) and for two half-term holidays (one week each) she pays £120.

Shahida's average weekly costs are

$$\frac{(10 \times 120) + (42 \times 40)}{52} = \frac{£2,880}{52} = \text{£56}$$

**(Always round up the average to the nearest pound.)**

**Example 3**

Terry does not pay for child care during term time. In the Easter holidays (two weeks) he pays £60 a week to an approved playscheme so they will look after his son. He does the same for two half-term breaks (one week each) and the summer holidays (seven weeks), and he also uses the scheme for one week at Christmas.

Terry's average weekly costs are

$$(12 \times 60) + (40 \times 0) = £720 = \text{£14 (rounded up)}$$

52

**If you pay for child care monthly and pay the same amount each month** work out your average weekly costs by multiplying the amount you paid in the last month by 12 and dividing the total by 52.

**If you pay for child care monthly and you pay different amounts at different times** (for example, you pay more in the school holidays than you do during term-time) work out your average costs by taking the total amount you have paid for child care in the last 12 months and dividing that by 52 (this includes taking account of any increases in costs you had during the school holidays or at any other times, and it can include months when you did not pay anything for child care).

**Example 4**

Irene pays for child care monthly but the amount she pays varies from month to month.

Her monthly payments in the last 12 months were

April £240

February, October and December £200

July and August £320

All other months £160

Irene's average weekly costs are

$$240 + (3 \times 200) + (2 \times 320) + (6 \times 160) = £2,440 = \text{£47 (rounded up)}$$

52

**Remember** the child care element is part of Working Tax Credit, so any payments will stop immediately if you stop qualifying for Working Tax Credit (for example, you (or your partner) stop working). You should tell us straight away if

- you stop working, or
- your normal working hours go below 16 hours a week.

If you give us the wrong information and as a result we pay you too much credit, you will have to repay the excess. If this is a result of your fraud or neglect you will also be liable to a penalty, which could be as high as £3,000.

If you have any questions about giving us the correct information or to report changes, do not guess - phone the Helpline (see page 19 for details).

## Information for child care providers

Tax Credits Childcare Provider's Helpline - **0845 300 3941**.

### How do parents claim the child care element?

Unlike under WFTC and DPTC, parents will not have to get child care providers to fill out a separate form to claim help with child care costs.

Under Working Tax Credit, parents will complete the details of their child care costs and provide your contact details as part of their claim. Parents are responsible for the accuracy of this information.

### What if I'm asked for my registration number?

If you are a registered childminder or run a registered nursery or playscheme a parent might ask you for your registration number, if you have been issued with one by your registering authority. This is because they need to give it to us as part of their tax credit claim.

We only use this information to check that

- the parent is claiming for the costs of registered child care, and
- the number they have quoted is the registration number of the provider they have given details of on their claim.

If you pay for child care for more than one child or to more than one provider it is the change in the total amount you pay each week that we are interested in (that is, the cost for all the providers you pay added together). For example, if you have three children and your average weekly costs increase by £5 per child per week, your total average weekly cost has risen by £15 and you should tell us.

**To help you when your average weekly costs rise by £10 or more for four weeks in a row we will increase your child care element from the first week of the change.** So, if your average weekly costs go up by £10 or more you can tell us straight away, as long as you expect the increase to last for at least four weeks.

**You don't need to tell us about changes in your average costs of less than £10 a week.**

If you change your provider you should tell us **even if you are still paying the same amount** to the new provider. We will make checks with child care providers from time to time to confirm the details of claims for the child care element. If you do not give us up-to-date details of your child care provider we might contact the wrong provider and could stop payments of the child care element if we cannot check the details of your claim.

### What if I do not provide the correct information?

You **must** give us accurate information about

- your child care provider
- when you change your child care provider
- the child care costs you pay.

You **must tell us** if

- your average weekly costs fall to zero
- your average weekly costs fall by £10 or more.

The examples on pages 7-11 tell you how to work out whether your average weekly costs have fallen in this way.

You **must** tell us about these changes **within three months**. If you don't you may be liable to pay a penalty of up to £300. At the end of the year you may also have to pay back any amount of tax credits that you have been overpaid.

If it is less than 12 months since you started using child care you should work out what you expect to spend on child care in the next 52 weeks and divide that by 52.

**If you have just made an arrangement with a child care provider and have not yet started to pay them** you can work out your average weekly costs by estimating what you will be paying per week. You should ask your provider how much they intend to charge you before you give us your estimate.

#### Example 5

Sinead has just arranged to pay a nursery £100 a week to look after her daughter whilst she is at work. The arrangement does not start until next week. Sinead's average weekly costs are £100.

After you have claimed the child care element, the amount you are due can be adjusted if your child care costs change. You need to tell us about any of the changes listed below **within three months** so that we pay you the right amount of child care element. You can tell us about changes by phoning the Helpline (see page 19).

When working out whether or not your average costs have changed you **must** use the same method that you used to work out your average weekly costs originally.

You **must tell us** if

- your average weekly costs are zero, or
- your average weekly costs fall by £10 or more.

If you don't tell us about these changes you may be overpaid tax credits and have to pay some back. You may also have to pay a penalty.

You **must also tell us** if

- your weekly costs rise by £10 or more for at least four weeks in a row.

### What counts as a change?

#### What happens if there are changes in my child care arrangements?

The change to your average weekly costs has to remain in place for at least four weeks. **If the change reduces the amount of tax credit you are entitled to we will only reduce your award after the first four weeks of the change, so you should tell us as soon as possible.**

If you don't tell us about a rise in costs you may not get as much tax credit as you should. To get any increase in your tax credit backdated to the week that your costs first increased you must tell us **within three months** of that first week.

You should use the same method that you used to work out your average in the first place.

**If your average is based on your total costs for the year divided by 52** (so you pay for child care weekly or monthly but in variable amounts, for example you pay more in the school holidays compared to term-time) work out whether your average weekly costs have changed by looking at what you **expect** to pay over the next 52 weeks (or 12 months) and divide that by 52.

If it is £10 or more higher or lower than your current average then you should tell us. Because your weekly average is based on a whole year's costs any change to the weekly average will be treated as being in place for the required four consecutive weeks.

*How do I work out whether or not my average weekly child care costs have changed?*

#### Example 6

Using the information for Shahida in Example 2 on page 7.

In October 2003, she starts to work longer hours and needs her childminder to look after her children for more hours each week. During term-time she will now have to pay £50 a week and in the 10 weeks of the holidays she will be paying £140.

Her new average costs for the next 52 weeks are

$$(10 \times 140) + (42 \times 50) = \text{£}3,500 = \text{£}68 \text{ (rounded up)}$$

52

That is an increase over her previous average of more than £10. As it is worked out by looking at costs for a whole year it is treated as lasting for more than four weeks (in fact it will last for a whole year), so she should tell us straight away.

**If your average is based on your costs for the past four weeks or one month** work out whether your average weekly costs have changed by looking at what you will pay in each of the next four weeks. If it is £10 or more higher or lower than your current average in each one of the four weeks then you should tell us.

#### Example 7

Pat's average weekly costs are £50. Then his costs drop for six weeks to £45. He can ignore this as it is less than £10.

After those six weeks, he starts to pay £70 a week and this is expected to continue to be his payment from now on. He should tell us straight away as the rise is more than £10 above his previous £50 average, and he is entitled to an increase in his child care element.

When you have made your claim for the child care element, phone the Helpline (see page 19) immediately if your costs have changed and you think your child care element may need to be adjusted.