

Working Tax Credit

- Help with the costs of childcare

**Find out how
tax credits can help
with the costs
of childcare**

Help

If you need any help please:

- go to www.hmrc.gov.uk/taxcredits or
- phone our helpline on **0345 300 3900** or
Textphone on **0345 300 3909**.

For our opening hours go to www.hmrc.gov.uk or phone us.

Remember

*Tax credits are flexible
and change
when your life changes*

We have a range of services for people with disabilities, including guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact us on any of our phone helplines if you need these services.

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.hmrc.gov.uk/charter

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

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

For childcare providers

Our factsheet *WTC5/CP Information for childcare providers* 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/taxcredits and select *Leaflets on tax credits* or
- if you do not have access to the internet phone our helpline.

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

If you're temporarily absent from work

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

- sick leave
- maternity leave
- paternity leave or
- 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 any of the following apply:

- 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 two weeks ordinary paternity leave, or up to a maximum 26 weeks additional paternity leave.

If you're off sick

We will treat you as working if all of the following apply.

- 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
 - on maternity, paternity or adoption leave
 - on the first 10 days of strike leave, or
 - suspended from workas long as you were working at least 16 hours a week before taking leave or being suspended.
- You are 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).

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 or Personal 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
- a vehicle under the Invalid Vehicle Scheme or
- contribution-based Employment and Support Allowance (ESA) if you have had
 - this allowance for 28 weeks or more or
 - 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 or
- up to seven days before your childcare starts.

You need to claim help with childcare costs within one 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 childcare costs for any child up to:

- the Saturday following 1 September after their 15th birthday or
- the Saturday following 1 September after their 16th birthday if
 - the child is on the blind register or came off it in the last 28 weeks or
 - you get Disability Living Allowance or Personal Independence Payment for that child.

What childcare costs can you 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 is registered or approved childcare?

For England - see **page 3**

For Wales - see **page 4**

For Scotland - see **page 5**

For Northern Ireland - see **page 6**

Crown servants working abroad - see **page 6**

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 one of the following ways:

- registered on the Ofsted Early Years Register (EYR) if your child is under 5 years of age
- registered on the Ofsted Compulsory part of General Childcare Register (GCR) if your child is aged 5 to 7
- registered on the Ofsted Voluntary part of the General Childcare Register 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 Early Years Register or the 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 care worker or nurse from an agency, for example, a domiciliary care worker. However, the agency must be 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 if both of the following apply:

- your 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.

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 all of the following apply.

- Your 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.

Early education for 3 and 4 year olds in England

All 3 and 4 year olds who are being looked after by schools or by childcare providers registered on the EYR are entitled to free early education of 15 hours a week for 38 weeks of the year. You do not need to pay for a child's early education place and do not have to take up additional services to access their free place. Some 2 year olds in English local authorities may also be entitled to free early education of between 10 and 15 hours a week. You can't claim help for these free entitlements. You can, however, claim for any additional childcare you pay for outside of the free entitlement.

For more information about free early education in your area, get in touch with your Family Information Service. Go to www.gov.uk/find-family-information-service

How do you know if your childcare is registered or approved in England?

All providers who are registered by Ofsted 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 get in touch with Ofsted. Go to www.ofsted.gov.uk or phone **0300 123 1231**.

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

- 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 care worker, such as a domiciliary care worker, or nurse from an agency registered for providing care in the home under the Domiciliary Care Agencies (Wales) Regulations 2004
- 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 in Wales 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 do you know if your childcare 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 or
- approved under a home childcare providers scheme.

For more information on childcare in Wales 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 one of the following.

- 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 in Scotland if you use:

- an approved foster carer or
- 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 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 you're looking after yourself as part of a kinship care arrangement.

How do you know if your childcare is registered or approved in Scotland?

All 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 in Scotland go to www.scottishchildcare.gov.uk

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

Northern Ireland

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

- 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
- 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.

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 may get help with your childcare costs if your childcare provider is approved under a Ministry of Defence accreditation scheme abroad.

How do you know if your childcare 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 or
- 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*.

You can't claim help with your childcare if it is not registered or approved. It is your responsibility to make sure that the childcare you are using 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 one 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 three 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 any of the following:

- 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, or
- 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 one 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, please 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 can you get?

You can get help with up to 70 per cent 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:

- one child, the maximum childcare cost you can claim is £175 a week
- two 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 one child
- £210 a week for two 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 per cent 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 and
- any other costs linked with employing that person.

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
Two or more children	£300	70%	$£300 \times 70\%$ = £210.00

Claiming help with your childcare costs

i How to claim tax credits

If you want a claim pack please:

- phone our helpline on **0345 300 3900** or
- Textphone on **0345 300 3909**.

For our opening hours go to **www.hmrc.gov.uk** or phone us.

When to claim

You can claim help with your childcare costs:

- as soon as you start paying childcare costs or
- if you have arranged a childcare provider, up to seven days before the childcare starts or
- even if you need the childcare for only a short time - see **page 13**.

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 that.

What information will we 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 from you:

- contact details for your childcare provider including their
 - 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 and
- your average weekly childcare costs - see **pages 11 to 13**.

We may check the information with your provider, so we do need 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. Please tell us as soon as possible if you change your provider(s).

Please 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 seven days before your childcare starts.

See **page 13** 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 - see **pages 11 to 13**. Always round your average up to the nearest pound.

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

It is the **total** you pay each week that you use to work out your average weekly costs see **page 16**.

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 any of the following:

- 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 costs.

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 a week.

If you've just arranged childcare - due to start in the next seven 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 seven 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 costs.

You pay weekly	Take the total amount you pay each week - this is your average weekly childcare costs.	You pay every four weeks	<ol style="list-style-type: none"> 1. Take the total amount you pay every four weeks. 2. Divide that amount by four - this is your average weekly childcare costs.
You pay monthly	<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 yearly	<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.
You pay fortnightly (every two weeks)	<ol style="list-style-type: none"> 1. Take the total amount you pay each fortnight. 2. Divide that amount by two - this is your average weekly childcare costs. 	You pay each term	Please phone our helpline on 0345 300 3900 for help in working out your costs.

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. This could be during school holidays, or to cover an emergency for example. You may be able to claim help with your costs just for the short time you need the childcare for. 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, and
- 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 seven days before.

You will need to tell us:

- the start and end date 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 – see **page 10**.

If you would prefer to claim help averaged and paid over the year, work out your average weekly costs by following the guidance – **pages 11 to 13**.

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:

One month at £240. $1 \times £240 = £240$

Three months at £200. $3 \times £200 = £600$

Two months at £320. $2 \times £320 = £640$

Six 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 – 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 ten weeks at £100 a week.

His total costs for 52 weeks are:

39 weeks at £60 a week. $39 \times £60 = £2,340$

10 weeks at £100 a week. $10 \times £100 = £1,000$

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 you us about – within one 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 four 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.

See **pages 16 and 17** for 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 department - for example, the free early education for 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 one of you is now working less than 16 hours a week - see the *Who can claim* section on **page 1**.

You must tell us as soon as possible 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 will have to pay it back. You may also be liable to a penalty of up to £300 if you do not report the change to us within the time limit.

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 four 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.

See **pages 16 and 17** 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 **one month** of that first week.

What if the change in my childcare costs is less than £10 a week?

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

You must phone us on **0345 300 3900** as soon as possible and **within one 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 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 four 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 - 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, 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 one child or to more than one 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 one 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 the following three 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.	$10 \times £80 = £800$
39 term-time weeks at £40 a week.	$39 \times £40 = £1,560$
3 weeks summer holidays with grandparents	$=£0$
Total for 52 weeks (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 $£2,360 \div 52 = £46$ (rounded up).

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.

Examples - childcare costs go up by more than £10 a week

Example 1

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

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

Example 3

Shahida usually pays £300 a month for approved childcare. Her average weekly 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 more than £10 a week. Shahida should tell us as soon as possible or within one month, to make sure she doesn't lose out on tax credits.

Example 2

Jane's average weekly childcare costs are £50 because she always pays that fixed weekly amount. For two 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 four weeks in a row, it only applied to two of the weeks.

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

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 four 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 one 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 three 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 do you have to tell us?

What if you change childcare provider?

If you change your 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 be liable to a penalty of up to £300 if you do not report the change to us within the time limit.

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

- the Saturday following 1 September after their 15th birthday or
- the Saturday following 1 September after their 16th birthday if
 - the child is on the blind register or came off it in the last 28 weeks or
 - you receive Disability Living Allowance or Personal Independence Payment for that child.

If you are claiming childcare costs for more than one 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 one month**.

Remember that we will stop paying you for your childcare 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
 - 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**, or
 - 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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