



Help with Childcare Costs

Paying for childcare can take a big chunk out of your household income. However, don't rule out any options until you've found out what financial help is available.

TAX Credits

Nine out of ten families are eligible for financial help in the form of Tax Credits. These awards depend on the family's circumstances and income; once Tax Credits have been awarded it is important to inform the Tax Credit Office of any changes to the family's income.

So what Tax Credits are offered?

Child Tax Credits (CTC)

Families with a combined income of up to £58,000 (or £66,000 if there is at least one child under one year old) are eligible for Child Tax Credits. The maximum is about £32 a week for each child; families might be eligible for extra help if they have a child with additional needs. CTC is paid directly into the family's bank account. CTC is in addition to Child Benefit, and there are no work related restrictions.

Working Tax Credit

Working Tax Credit is available for people on low to middle incomes; it is intended to provide help with expenses such as childcare costs, and families with a child with additional needs might be eligible for additional credit. This credit is paid direct into the family's bank account.

Childcare Element of Working Tax Credit

Working Tax Credit for working parents offers additional credit to assist with childcare. Families can claim up to a maximum of 80p for every £1 paid for registered or approved childcare up to certain limits. The limit is £175 a week for one child and £300 for two or more. This credit is paid direct to the bank account of the main care giver in the family.

The Childcare Element of Working Tax Credit is available if:

- lone parents work 16 hours or more a week

- both partners in a couple work 16 hours or more a week; or one partner works 16 hours or more and the other is incapacitated, in hospital, or prison
- the childcare provider is approved or registered

The Childcare Element of Working Tax Credit is available to qualifying families for any child up to 1st September after his or her 15th birthday.

For more information telephone the HM Revenue and Customs (HMRC) Tax Credit Helpline on 0845 300 3900 or visit www.hmrc.gov.uk/taxcredits.