

The Government is launching a new scheme to help working parents with their childcare costs.

It’s called Tax-Free Childcare(TFC).

TFC will work a bit like a savings account. You pay money into an account from your net pay, so it’s taken after tax and National

Insurance (NI) have been deducted. For every 80p you pay in, the Government adds 20p.

This is different to childcare vouchers, where the value of the voucher is taken from your gross pay, so you save up to £933\* in tax and NI a year. If both you and your partner join a childcare voucher scheme, your savings could rise to £1,866\*.

TFC will be rolled out in 2017. If you decide to register for TFC, you can’t switch to your employer’s childcare voucher scheme at a later date.

You can sign up to our childcare voucher scheme until April 2018.

After that date, if you want to register on a scheme, TFC will be your only option.If you already take childcare vouchers, you can continue taking them as long as you like.

Not everyone will be eligible for or better off with TFC – it depends on your family situation.

So, to ensure you have a choice, register on our childcare voucher scheme today and give yourself the luxury of time to work out what’s best for you and your family, based on your circumstances.

TFC in a nutshell

The Government is still ironing out the details. Here’s what we know so far:

* When TFC launches, you can only use it for children under the age of 12, or 17 for children with disabilities
* You will need to set up a TFC account for each child that you use childcare for
* You can only use TFC if both parents are in work, unless you are a lone working parent
* You can only use TFC if both parents meet the minimum income level^
* You can’t use TFC if you or your partner earn more than £100,000 a year
* You can use TFC if you’re self-employed
* You can’t use TFC if you receive Universal Credit

[www.giveyourselfachoice.com](http://www.giveyourselfachoice.com)

\* Figures quoted are the maximum available savings for a Basic rate taxpayer. Higher and Additional rate taxpayers may each save £623 a year. The savings you make will depend on your circumstances.

^ The minimum income level means you must reasonably expect to earn the equivalent of 16 hours National Living Wage rate a week -from April 2016 this is £115 per week on average - for the next 13 weeks. If you are under 25 or an apprentice, you must expect to earn the equivalent of 16 hours a week at the National Minimum Wage rate which applies to you.