



Financial Support for Families

Information about the funding available to make childcare more affordable, including: child benefit, tax credits, childcare affordability programme, childcare vouchers, salary sacrifice schemes and care to learn.

Child Benefit

- Paid from birth until your child is 16 (or 19 if they stay in full-time education) and is usually paid every four weeks.
- You should claim child benefit as soon as:
 - your child is born
 - a child comes to live with you
 - you adopt a child
 - you start to contribute to the cost of looking after a child
- To receive child benefit, you need to complete a claim form and submit the child's birth or adoption certificate.
- If your child has just been born, you should have got your claim form in your 'Bounty Pack' from the hospital. Alternatively you can complete a form online: www.hmrc.gov.uk/childbenefit
- Once you are claiming child benefit you will automatically receive the Child Trust Fund voucher worth £250 to be invested for your child.
- Child Benefit can be automatically backdated for 3 months.

Contact Details:

Child benefit helpline: 0845 302 1444

Textphone: 0845 302 1474

Email: child.benefit@hmrc.gsi.gov.uk

Childcare Vouchers or Salary Sacrifice

- This is a scheme where employers can assist their employees with childcare costs, and both parents can sign up to the scheme (providing their employer is offering the scheme).
- The first £55 a week of your salary can be supplied via childcare vouchers and is exempt from tax and National Insurance Contributions (NIC). This means you pay tax and NIC on the reduced level of your salary.
- Your employer will normally run a scheme with a childcare voucher company. The company will either provide you employer with the vouchers to be distributed to you, or they will come directly to you. A contract will need to be set up between you and your employer detailing the salary sacrifice agreement.
- The vouchers can be used as payment towards the costs of your childcare, however you must use registered or approved childcare.
- Your childcare provider will then redeem the voucher from the voucher company.
- Through the scheme you will 'sacrifice' an amount of your wages to be supplied through childcare vouchers. (From April 2006 this is up to £55 a week)
- Receiving childcare vouchers through this scheme can affect parents' entitlements to tax credits and may affect your pension. You are advised to check what support you would receive through Tax Credits before signing up to a salary sacrifice scheme and what implications it may have on your pension.
- We have copies of the Daycare Trust Factsheet on the scheme, please ask if you'd like a copy.



Childcare Affordability Programme (CAP)

- Families can access grant to pay for childcare if they have a child under 5 years of age.
- Must be in receipt of Child Tax Credit at the higher than family element.
- Must be able to provide evidence to the childcare provider by showing the annual tax credit award letter from HMRC.
- Do not need to be working to be eligible to receive the grant, and do not have to be in receipt of the Working Tax Credit (WTC).
- A full daycare place will cost parents no more than £175 a week. If the child is entitled to receive the Nursery Education Funding, the amount would be reduced further.
- Flexible childcare places are also made available at times to suit the needs of parents at an affordable hourly rate.
- Parents should apply directly to the nursery.

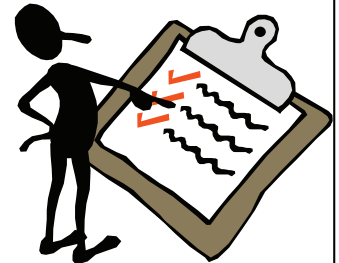
Contact Details

CAP helpline: 0800 587 7115

Website: www.lda.gov.uk

Working Tax Credit (WTC)

- Payment to top up the earnings of WORKING PEOPLE ON LOW INCOMES, including those who don't have children.
- If responsible for a child or young person, you can claim WTC if you are over 16 and work more than 16 hours a week. To be eligible:-
 - * Lone parents must work 16 hours or more
 - * Couples must both work 16 hours or more, or one partner works 16 hours or more per week and the other receives a disability benefit, or is in hospital or prison
 - * The child you are caring for is school-age or under.
- WTC includes a "childcare element" to help with the costs of childcare.
- You will be 'treated as working' during ordinary maternity Leave (providing you were working, on average, at least 16 hours a week before you started your leave).
- WTC is paid by HM Revenue and Customs by Direct Payments to your nominated bank, building society, Post Office or National Savings account.
- You can claim up to 80% of childcare costs for registered or approved childcare, up to certain limits. From April 2006, the limit is £175 a week for one child, and £300 for two or more children.



No. of children	Weekly limit on costs	% of costs covered by childcare element	Maximum childcare element available
1 child	£175	80%	£175 x 80% = £140.00
2 or more	£300	80%	£300 x 80% = £240.00

Child Tax Credit

- YOU DO NOT HAVE TO BE WORKING TO CLAIM CHILD TAX CREDIT.
- Aims to support all families with children.
- Child Tax Credit is paid **in addition** to Child Benefit and Working Tax Credit.
- A higher rate is paid in the year following the child's birth.
- Based on household income of up to £58,175 or up to £66,350 if you have a child under 1 year old.
- It is paid directly to the main carer, directly into the bank account.
- If you qualify for Income Support or Income Based Job Seekers Allowance - you will be entitled to the maximum amount of Child Tax Credit.
- Applications are based on your income for the previous tax year but can be revised, so you must notify HM Revenue and Customs of any changes, for example if you go on maternity leave.
- Any Child Benefit, Maternity Allowance or the first £100 a week of Statutory Maternity Pay that you are receiving will be ignored when calculating your family income.

Tax Credits helpline: 0845 300 3900
 Website: www.hmrc.gov.uk/menu/credits.htm

Care to Learn — help with childcare while you learn

- If you're under 20 and have one or more children, Care to Learn can help pay for your childcare and travel costs while you're learning.
- The subject or course you take is entirely up to you. You can choose, for example, whether you want a qualification or not, or whether you want to learn at a college or through work.
- Wherever you learn, you can be confident that your child is being safely looked after.

Care to Learn Helpline: 0800 121 8989
 Connexions Personal Adviser: 020 8929 4962
 Email: info@connexions-southlondon.org.uk

This information leaflet has been produced by Bromley Families Information Service. If you would like any further information or help, please contact us:



3rd Floor, Bromley Central Library, High Street, Bromley, BR1 1EX
 (Monday - Friday, 9:30am - 4:30pm)



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