

Childcare vouchers to remain open to new entrants for an additional 6 months

What has changed?

The government listened to the representations from MP's during the Parliamentary debate on childcare vouchers on 13 March and as a result announced that childcare vouchers will remain open to new entrants for an additional 6 months.

This will allow for a smooth transition to the Tax-Free Childcare scheme, and provide parents with more time to consider their options for childcare support.

From October, the vouchers scheme will close to new entrants.

This means that parents will continue to benefit from the tax exemption and National Insurance disregard if they join the voucher scheme before October. Employers will also benefit from the employer National Insurance disregard. From October, the tax and National Insurance benefits of the voucher scheme will be removed.

Tax-Free Childcare

Parents with children under 12 will still be able to choose to apply for Tax-Free Childcare if this is the best offer for them. Families who are eligible can get up to £2,000 of support per year per child, regardless of who their employer is or whether they are self-employed. Tax-Free Childcare provides lone parents with the same support as couples.

Parents can apply for Tax-Free Childcare [here](#).

Through Tax-Free Childcare, employers will be able to pay into their employee's childcare accounts if they want to. The money paid in will however, be subject to tax and National Insurance deductions.

What do parents need to know about the change?

Until October, parents can choose to apply for the scheme that best supports their needs - either Tax-Free Childcare or childcare vouchers.

We recommend that parents use the [childcare calculator](#) and the Childcare Choices website www.childcarechoices.gov.uk to find out what childcare support they may be entitled to.

Parents who have moved from childcare vouchers to Tax-Free Childcare and have provided a written notification to their employer will not be able to return to the voucher scheme. This rule has been in place since April 2017 and does not change.

What do employers need to know about the change?

We will be working with employers to ensure this change is understood. We have updated our 'Top tips for employers' within our [communications toolkit](#) to reflect this change.

It is up to employers whether they want to continue to offer childcare vouchers to new entrants until October, or to close their schemes from April.

Communications

We would be grateful if you can share this news article with your members and stakeholders. Please continue to use the [communications toolkit](#), which we have updated, to promote the government's childcare offers.