



Supporting the hair, beauty
and barbering industries

Childcare choices: what's on offer?

Reliable and affordable childcare arrangements are key for busy parents who want to get back to work in the salon or barbershop - whether full-time or part-time. So what's on offer for you and your employees?

This fact sheet covers:

- Tax-Free Childcare and free childcare
- Tax-Free Childcare - the details
- The childcare voucher scheme
- Which scheme is best for you?
- 30 hours free childcare - the details
- Grandparents' and childcare - National Insurance rights

TAX-FREE CHILDCARE AND FREE CHILDCARE

To help with the cost of childcare, parents can take advantage of:

- Tax-Free Childcare (UK-wide)
- 30 hours free childcare (varies across the UK - see more on this below)

To qualify for either scheme:

- each parent must be over 21 and working (self-employed or employed); and
- each parent must be earning an average of at least £120 a week and not more than £100,000 each year.

You may also be eligible if you have a partner who gets benefits such as Carers Allowance, Employment and Support Allowance, Incapacity Benefit, or Severe Disablement Benefit.

Parents can apply for both Tax-Free Childcare and 30 hours free childcare (where available) via one online application.

Find out more on the [GOV.UK website](https://www.gov.uk).

TAX-FREE CHILDCARE - THE DETAILS

To claim Tax-Free Childcare, you need to open a childcare account. Then for every £8 you contribute, the government will add £2.

Up to £2,000 per child per year is available, or £4,000 for a disabled child.

The child must be under 12 (17 if registered as disabled) and normally live with the claimants.

Funds in Tax-Free Childcare accounts can only be used to pay childcare providers who are signed up to the scheme.

CHILDCARE VOUCHERS

Employees can take up to £55 a week of their wages as childcare vouchers if their employer offers the scheme. No tax or National Insurance is paid on the amount taken in vouchers.

The childcare vouchers scheme will close for new entrants in October 2018. Existing members can continue in the scheme unless they change job or their employer stops offering the scheme.

Which scheme is best for you?

Some parents may be financially better off staying on the childcare vouchers scheme rather than switching to Tax-Free Childcare.

[MoneySavingExpert.com](https://www.moneysavingexpert.com) offers a clear guide to which scheme might be best for you.

30 hours free childcare - the details

All three and four-year-olds in **England** (see below for differences in Scotland, Wales and Northern Ireland) get 15 hours a week (570 hours a year) of free early education, whether or not their parents are working.

A total of 30 hours is available if both parents work and each earns less than £100,000 a year.

However - the DfE has said that parents receiving the 30 hours of free childcare can expect to pay for extras like meals, nappies and additional activities (such as trips out). But parents must not be required to pay any fee for taking up a free entitlement place.

SCOTLAND

In Scotland, 600 hours of free early learning and childcare (ELC) is available for all three and four-year-olds and eligible two-year-olds

By 2020, the Scottish Government will increase the hours of free ELC from 600 to 1,140 hours per year to further reduce barriers preventing parents from working.

[Find out more.](#)

WALES

All children in Wales are entitled to a minimum of 10 hours free, part-time Foundation Phase education in a school, or funded nursery, in the term following their third birthday.

The Welsh Government plans to provide 30 hours a week of free early education and childcare for working parents of three and four-year-olds in Wales for 48 weeks of the year.

[Find out more](#)

NORTHERN IRELAND

In Northern Ireland, parents of all three and four-year-olds can apply to receive 12.5 hours per week of free (also known as funded) preschool education.

There are no current plans to extend the '30 hours free childcare' to Northern Ireland.

[Find out more](#)

DON'T LET GRANDPARENTS MISS OUT

Grandparents or other family members who care for a child under the age of 12 while their main parent or carer is working may be entitled to National Insurance credits if they are under state pension age. This will help to ensure that family members who provide childcare services will not receive a lower state pension when they reach state retirement age.

This government scheme is called 'Specified Adult Childcare' credits.

[Find out more](#) or call the government helpline on 0300 200 3500.

CHECKLIST

- Make sure you know what's on offer.
- Find out if you're eligible.
- Choose the scheme that's financially best for you.
- Take advantage of free childcare hours.
- Make sure grandparents don't miss out on National Insurance contributions.

MORE FROM THE NHBF

The NHBF is here for you. Members can call our friendly membership team for expert help and advice and also benefit from free 24/7 access to our legal and commercial helpline. Browse our expert [blog posts](#), enter [competitions](#) and come on a wide range of [industry workshops](#).

This NHBF fact sheet is for information and guidance only and is not a substitute for legal or professional advice. The information is correct at the time of writing. May 2018.

The NHBF is an independent not-for-profit trade association that offers a range of business support services to salons and barbershops.



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