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Guidance

# Universal Credit: childcare guide

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## Childcare costs during the coronavirus (COVID-19) outbreak

If you are getting Universal Credit, you will be repaid costs for childcare that has taken place and you have already paid for.

You will continue to be repaid childcare costs with your Universal Credit if you are a critical worker (<https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-educational-provision>) or if you are a non-critical worker who has access to registered childcare.

### Paying for childcare in advance

If you pay for more than one month of childcare in advance, you can get the costs repaid with your Universal Credit if the childcare takes place. You can be repaid up to 3 months' childcare costs you pay and report in advance. The payments will be spread over the number of months you have paid for.

You cannot be repaid childcare costs you pay for in advance if no childcare takes place.

You cannot be repaid any money your childcare provider asks you to pay to keep a place for your child, if no childcare takes place. This is sometimes known as a retainer.

## What you can get

Universal Credit pays up to 85% of the childcare costs you pay, up to a monthly limit of £646.35 for 1 child or £1108.04 for 2 or more children.

Childcare costs can only be claimed for a dependent child up to the 31 August following the child's 16th birthday.

## Qualifying for Universal Credit childcare costs

You can only get Universal Credit childcare costs if you, or both you and your partner:

- are in paid work, or have accepted an offer of paid work
- pay for childcare for the relevant child or young person

Paid work means work that is done for payment or in expectation of payment. It does not include being engaged by a charitable or voluntary organisation or being a volunteer (where the only payment is expenses).

## If you have a partner

If you are part of a couple you must both be in paid work, or have accepted an offer of paid work. Childcare costs may be paid if 1 partner is working and the other can't look after the child or children because they:

- have limited capability for work or limited capability for work and work related activity
- care for a severely disabled adult or severely disabled child
- are temporarily absent from the household (for example, in hospital, residential care or in custody)

## **If you are absent from work**

If you or your partner are absent from work you can still get Universal Credit childcare costs for existing childcare if either of you are receiving:

- Statutory Sick Pay
- Statutory Maternity Pay
- Statutory Adoption Pay
- Statutory Paternity Pay (including both Ordinary and Additional Statutory Paternity Pay)
- Statutory Shared Parental Pay
- Maternity Allowance

## **Childcare providers**

You can use more than 1 childcare provider. However, to get Universal Credit childcare costs, the childcare you pay for must be provided by a registered childcare provider.

You must be paying childcare costs to registered or approved childcare providers.

This generally means the childcare provider is registered with one of these organisations:

- England – OFSTED
- Scotland – The Care Inspectorate
- Wales – Care and Social Services Inspectorate for Wales (CSSIW)

You can use more than 1 childcare provider but you will need to report details of all childcare providers you are using to us.

## **Information you need to provide us with**

When you first claim Universal Credit childcare costs you'll need to provide the following information about your childcare payments for each child:

- the full name and OFSTED registration number of the childcare provider
- the full contact details of the childcare provider including address, telephone number and manager's name
- the address where the child is being looked after
- the full cost of your childcare

- the arrangements you have made if you share your childcare responsibilities with someone else, for example an ex-partner

You'll need to report the full cost of the childcare before the end of the Universal Credit assessment period (<https://www.gov.uk/universal-credit/how-youre-paid>) which immediately follows the assessment period you've paid the childcare charges in. You can do this by signing in to your Universal Credit account (<https://www.gov.uk/sign-in-universal-credit>).

## **When you will get paid your childcare costs**

Your childcare costs will be paid as part of your Universal Credit payment for the assessment period in which you report your childcare costs.

If you pay for more than 1 month's childcare in 1 assessment period, you will have any eligible childcare costs apportioned across the periods the childcare covers – up to a maximum of 3 assessment periods.

## **When childcare costs can't be paid**

If part of your childcare costs are paid for by someone else (for example by an employer or through a work programme or scheme) you can only claim the remaining balance which is the amount that you, or you and your partner actually pay.

However, you may still be entitled to get either 15 hours or 30 hours free childcare, and Universal Credit may be able to pay towards any remaining childcare costs.

## **Reporting changes to your childcare arrangements**

You must report any changes to your childcare arrangements, whether they are permanent or for a limited period of time, by contacting Universal Credit.

The changes you need to tell us about may include:

- a childcare provider ceasing to be approved or registered
- changes to the hours you and/or your partner work
- changes to the childcare provider(s) you use
- changes to the cost of your childcare
- if the child is no longer with you or you are no longer responsible for a child you were claiming childcare costs for

Contact Universal Credit to report a change of circumstances (<https://www.gov.uk/universal-credit/changes-of-circumstances>).

## **15 hours free childcare**

All 3 and 4 year old children in England are entitled to 570 hours of free childcare per year. It's usually taken as 15 hours per week for 38 weeks of the year but you can choose to take fewer hours over more weeks, for example.

You can claim the 15 hours free childcare from the term after your child's 3rd birthday.

Contact your childcare provider or local council (<https://www.gov.uk/find-free-early-education>) to find out more.

## 30 hours free childcare

If you are claiming Universal Credit you may be able to get up to 30 hours free childcare (1,140 hours per year, which you can choose how you take) if your child is 3 to 4 years old.

If you're eligible for the extra hours, you can sign up online to get a code to give to your registered childcare provider to reserve your child's place. You'll get the extra hours once the next term starts.

You can usually get 30 hours free childcare if you (and your partner, if you have one) are:

- in work or getting parental leave, on sick leave or annual leave
- each earning at least the National Minimum Wage or Living Wage for 16 hours a week

This earnings limit does not apply if you're self-employed and started your business less than 12 months ago.

You're not eligible if:

- your child does not usually live with you
- either you or your partner has a taxable income (<https://www.gov.uk/income-tax>) over £100,000 per year
- you're from outside the EEA (<https://www.gov.uk/eu-eea>) and your UK residence card says you cannot access public funds

## Tax-Free Childcare

You cannot get Tax-Free Childcare at the same time as claiming Universal Credit.

Find more detailed information on Tax-Free Childcare (<https://www.gov.uk/help-with-childcare-costs/tax-free-childcare>) under Childcare and Parenting (<https://www.gov.uk/browse/childcare-parenting>).

Which scheme you're better off with depends on your situation. You can use the government website Childcare Choices (<https://www.childcarechoices.gov.uk/>) to get further information and work out which type of childcare support is best for you.

## Free childcare (and early education) for 2 year olds

If you live in England and are claiming Universal Credit you can get free early education and childcare for your 2 year old.

If you're eligible, the free early education and childcare:

- must be with an approved childcare provider (<https://www.gov.uk/help-with-childcare-costs/what-counts-approved-childcare>)
- starts from the term after your child's 2nd birthday

Contact your childcare provider or local council (<https://www.gov.uk/find-free-early-education>) to find out more, or you go to free childcare and education for your 2 year old (<https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds>) for more detailed information.

## **Scotland, Wales and Northern Ireland**

There are different schemes in Scotland (<http://www.earlylearningandchildcare.scot/who-qualifies/>), Wales (<http://www.childreninwales.org.uk/in-your-area/family-information-services/>) and Northern Ireland (<http://www.nidirect.gov.uk/childcare>).