

Don't miss out on up to £2,000 towards childcare costs

Thousands of working families in the UK could be missing out on an opportunity to get up to £2,000 a year to help with the cost of childcare, HM Revenue and Customs (HMRC) is reminding parents, ahead of February half term.

Tax-Free Childcare – the 20% childcare top-up – provides eligible working families with up to £500 every 3 months (or £1,000 if their child is disabled) towards the cost of holiday clubs, before and after-school clubs, childminders and nurseries, and other accredited childcare schemes.

Nearly 316,000 working families used Tax-Free Childcare across the UK in September 2021, receiving a share of £35 million in government top-up payments towards their childcare costs – an increase of about 90,000 families compared to September 2020.

Tax-Free Childcare is available for children aged up to 11, or 17 if the child has a disability. For every £8 deposited into an account, families will receive an additional £2 in government top-up.

This scheme is one of many ways the government is supporting households to raise their incomes and keep more of what they earn.

Myrtle Lloyd, HMRC's Director General for Customer Services, said:

The 20% government top-up offers working families help to pay for childcare, whether it's nursery bills, after school clubs or holiday clubs. Search 'Tax-Free Childcare' on GOV.UK to find out more.

Helen Whately, Exchequer Secretary to the Treasury, said:

Whether it's for holiday clubs, breakfast clubs, or childminders and nurseries, Tax-Free Childcare is a great offer that gives working parents a helping hand with their childcare costs.

This Government is committed to supporting working families which is why it's fantastic that thousands more are saving money through the Tax-Free Childcare scheme. I urge as many parents as possible to take advantage of this support.

By depositing money into their accounts, families can benefit from the 20% top-up and use the money to pay for childcare costs when they need it. Accounts can be opened at any time of the year and can be used straight away.

For example, if parents and carers have school-aged children and use holiday clubs during school holidays, they could deposit money into their accounts throughout the year. This means they could spread the cost of childcare while also benefitting from the 20% government top-up.

Tax-Free Childcare is also available for pre-school aged children attending nurseries, childminders, or other childcare providers. Families with younger children will often have higher childcare costs than families with older children, so the tax-free savings can really make a difference.

More information about [Tax-Free Childcare](#).

Latest [Tax-Free Childcare statistics](#) were released on 17 November 2021. Data is available up to 30 September 2021.

HMRC has produced a refreshed [Tax-Free Childcare guide for parents](#), which explains the reasons and benefits for signing up to the scheme.

Each eligible child requires their own Tax-Free Childcare account. If families have more than one eligible child, they will need to register an account for each child. The 20% government top-up is then applied to deposits made for each child, not household.

Account holders must confirm their details are up to date every 3 months to continue receiving the government top-up.