

The TFC rollout has been delayed and will now not be complete until March 2018. We have also been advised that from the 24th November 2017, TFC will be made available to families whose youngest child is under 6 or who has their 6th birthday on that day. Over the coming months, HMRC will gradually open the childcare service to parents of older children, whilst continuing to make further improvements to their system. See the GOV.uk story on this here: <https://www.gov.uk/government/news/tax-free-childcare-to-open-to-children-under-6>

In April, HMRC also launched the Childcare Choices website offering information to families about all financial support available to them to support with the cost of childcare, this includes free childcare (children aged 2, 3 and 4), TFC, Childcare Vouchers, Tax Credits and Universal Credits. Parents can apply for TFC via the Childcare Choices website.

Key Information about TFC:

- Parents open an online childcare account with HMRC which they pay into to cover the cost of childcare. Their employer will have no involvement in TFC.
- For every 80p paid into the online account by a parent or someone else, the government will pay in an additional 20p – equivalent to 20% of childcare costs.
- Parents log into their online childcare account to pay their registered childcare provider.
- TFC allows working parents to receive up to £2,000 per child, per year towards the cost of childcare. For a child who has a disability parents can receive up to £4,000.
- To qualify, both parents will have to be in work, and each expect to earn (on average) at least £120 per week (equal to 16 hours at the National Minimum or Living Wage)
- If either parent earns more than £100,000 per year, they will not be eligible to join TFC.
- The scheme will also be available for parents who are self-employed.
- TFC is available for children up to the age of 11 (or 16 if disabled.)
- Parents are required to re-confirm their eligibility for TFC every 3 months.

Key Information about the existing Employer Supported Childcare (ESC) voucher scheme:

- Parents will be able to choose whether they continue on the existing ESC scheme or move to the new TFC scheme. However, they cannot be in receipt of support through both schemes at the same time.
- Parents who are currently registered on the existing ESC voucher scheme will be able to remain on the scheme for as long as they have childcare costs.
- ESC will remain open to new parents until April 2018.
- If a parent changes employer after April 2018 they will lose this entitlement and would not be able to join an ESC scheme with their new employer.
- If a parent is on an ESC scheme with an employer and have their contracts transferred to another employer under TUPE, the new employer will be able to add them to any existing scheme they are running or set up a new scheme for the transferred staff. The new scheme will be counted as a continuation of the old ESC scheme.
- If they do switch to TFC from ESC and have given their employer notice that they are doing so for this reason, they will not be able to re-join ESC at a later date.
- Parents who are currently registered on the existing ESC voucher scheme will not be considered to have left until they either make no salary deduction for a whole year, or if they serve their employer with notice that they are leaving to join TFC. However, if they change employers they lose this right.

It is clear that not all parents will benefit from the new TFC scheme and will find they are better off remaining on the current ESC voucher scheme. With this in mind we can supply marketing material to support this and also to relaunch your existing scheme prior to April 2018, to help those parents who are not currently members. Please just let us know if you would like any marketing material sending to you.

Just to make you aware that the Childcare Voucher Providers Association (CVPA) has created a petition on the Parliament Petition website that is calling for ESC vouchers to remain open alongside TFC. To date the petition has received over 109,000 signatures and the government has set a date to debate the petition in parliament on 15th January 2018. [Keep Childcare Vouchers Open Petition](#)

