

Save up to £2,000 with Tax-Free Childcare in Scotland

As schools return in Scotland, HM Revenue and Customs (HMRC) is reminding working parents they could save up to £2,000 per child per year to pay towards after-school clubs and other childcare services.

Around 110,000 families in Scotland are eligible for Tax-Free Childcare, which can cut thousands of pounds off childcare bills.

All families have to do is pay into their Tax-Free Childcare account and for every £8 that they deposit, the UK Government immediately makes a top-up payment of an additional £2. The scheme is open to working parents, including the self-employed, who earn between the minimum wage and £100,000 per year and have children aged 0-11 years old. Families with a disabled child, aged 0-17 years old, can receive up to £4,000 in government support each year.

Families in Scotland can choose from childcare providers that have signed up to Tax-Free Childcare, including nannies, nurseries, childminders or after-school clubs.

HMRC's Deputy Chief Executive and Second Permanent Secretary, Angela MacDonald, said:

As more parents across the country return to work and kids head back to school following the outbreak of the Coronavirus pandemic, there has never been a better time to sign up to Tax-Free Childcare.

It takes just minutes to set up an account on our Childcare Choices website and soon you could be receiving up to £2,000 per child towards the cost of childcare each year.

UK Government Minister for Scotland, Iain Stewart, said:

Tens of thousands of families in Scotland are eligible to access savings towards after-school clubs and other childcare services thanks to the UK Government's Tax-Free Childcare scheme. As more parents return to work and children to Scotland's schools following the arrival of the COVID-19 pandemic, I urge people to make full use of the support. The scheme is part of a significant package of measures that the UK Government has in place to help families in Scotland.

You can find out more and apply through the [Childcare Choices website](#). It includes a [Childcare Calculator](#) that compares all the government's childcare

offers to check what works best for individual families.

Tax-Free Childcare is just one example of the support available to families in Scotland from the UK Government. More information on other schemes such as Help To Save and Marriage Allowance can be found on the [Delivering for Scotland website](#).

How Tax-Free Childcare works:

- Working parents can apply, through the childcare service, to open an online childcare account. The scheme is available for children under the age of 12, or under the age of 17 for children with disabilities.
- If you or your partner have an 'adjusted net income' over £100,000 in the current tax year, you will not be eligible. This includes any bonuses you expect to get.
- For every £8 that families pay in, the UK Government will make a top-up payment of an additional £2, up to a maximum of £2,000 per child per year (or £4,000 for disabled children). This top-up is added instantly and parents can then send payments directly to their childcare providers. The maximum government top-up is £500 per quarter for each child, or £1,000 if the child is disabled.
- All registered childcare providers – whether nannies, nurseries, childminders or after-school clubs – can sign up online to receive parents' payments through Tax-Free Childcare.
- Parents need to sign back in every three months and confirm their details are up-to-date, to keep getting government top-ups.
- Families who were already signed up to Tax-Free Childcare but have fallen below the minimum income requirement due to COVID-19 will continue to receive financial support until 31 October. [Critical workers](#) who may exceed the income threshold for the 2020-21 tax year due to working more to tackle the pandemic, will continue to receive support this tax year. [More information](#).
- You can check your eligibility for Tax-Free Childcare in [relation to COVID-19](#).