**Welcome to Let's Talk Childcare**

Childcare can be a major barrier to moving into work for Universal Credit claimants with children.

The Universal Credit Childcare offer is there to help overcome this barrier by providing support to households to help meet their eligible childcare costs.

Knowing what’s available gives you the chance to make a real difference, both for the claimant and for their children.

Childcare Choices

Government helps with childcare costs for parents, whether you have toddlers or teens, you could get support. Visit Childcare Choices at [Childcare Choices | 30 Hours Free Childcare, Tax-Free Childcare and More | Help with Costs | GOV.UK](https://www.childcarechoices.gov.uk/)

Free childcare

In England, all 3 and 4 year olds get 15 hours a week free childcare and this can be apportioned up to 570 hours a year. Some may be eligible for 30 hours [30 hours free childcare - GOV.UK (www.gov.uk)](https://www.gov.uk/30-hours-free-childcare)

A claimant can continue to get Universal Credit at the same time as receiving free childcare hours.

If the claimant decides to take up free childcare hours, they only need to pay and report the excess costs to us.

The claimant must be directed to the 'Childcare' tab on their 'homepage' to follow the links to the GOV.UK website for more information on the schemes available in [Help paying for childcare: 15 hours free childcare for 3 and 4-year-olds - GOV.UK (www.gov.uk)](https://www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds)

Advances and the Flexible Support Fund 

There are a couple of options available that could help some claimants who need to pay their childcare costs in advance:

Childcare and Flexible Support Fund

Your Work Coach in the Jobcentre will have access to our Flexible Support Fund for Child Care which may be awarded for attending training and education or for the period between commencing work and the receipt of first wages (upfront childcare costs).

There are no minimum hours required for Universal Credit claimants only accessing Flexible Support Fund for upfront childcare costs. If wages are paid weekly, discretion should be used to consider payment of Flexible Support Fund beyond the first wage.

Flexible Support Fund payments for childcare should only be paid for costs that are not already covered by Universal Credit childcare payments. Flexible Support Fund payments for childcare will be paid separately from Universal Credit and paid directly to the childcare provider. All childcare cost requirements are consider by the persons Work Coach at the Jobcentre.

Tax Free Childcare

This applies to a child aged 11 or under who usually lives with the parent. The child stops being eligible on 1 September after their 11th birthday.

Parents will be able to open a new childcare account. For every £8 a parent pays into their childcare account, the government will pay in an extra £2. Parents can get up to £2000 government support per child per year towards their childcare costs.

They can then use this money to pay their childcare provider.

Parents cannot use Tax Free Childcare at the same time as they:

* receive childcare vouchers
* receive Tax Credits
* receive (or have any outstanding claim to receive) any element of Universal Credit

However, 15 hours free childcare can be received alongside these schemes for eligible claimants and agents must make claimants aware of this option in case their earnings exceed their Universal Credit entitlement.

After claiming Universal Credit, claimants with a Tax Free Childcare account:

* must not reconfirm eligibility for Tax Free Childcare when they receive the HMRC reminder
* will have their Tax Free Childcare account become 'pay only'
* must withdraw or use any remaining money in their Tax Free Childcare account before the end of the quarter in which they claimed Universal Credit

If  a claimant needs help using the Tax Free Childcare account, they can call the HMRC Childcare Service Helpline on 0300 123 4097.

A claimant should not end their Universal Credit until they know which offers are available and how much they could get.

This is to make sure that they will not be worse off going on to Tax Free Childcare from Universal Credit.

To find out more go to GOV.UK [Get Tax-Free Childcare: step by step - GOV.UK (www.gov.uk)](https://www.gov.uk/get-tax-free-childcare)

Work Allowance and Earnings Taper rate: calculating earnings

Calculating the amount of earnings

All earned income including self-employed earnings, benefits treated as earnings and earnings relating to an ineligible partner, are taken into account in the relevant assessment period when determining entitlement to Universal Credit.

Work Allowance

The Work Allowance is the amount some households are allowed to earn before the amount of Universal Credit they receive is affected.

To be eligible for the Work Allowance, the claimant or partner must either have:

* responsibility for a child or qualifying young person
* Limited Capability for Work or Limited Capability for Work and Work Related Activity (Disability)

Foster carers are not treated as being responsible for a child and as such are not entitled to a Work Allowance in Universal Credit.

There are two set levels of Work Allowance used in the calculation of earnings in the assessment period:

The Work Allowance is the amount some households are allowed to earn before the amount of Universal Credit they receive is affected.

These allowances are only available to households with children or a disability.

The revised allowances for payments are:

* £344 per month, where Universal Credit includes help with rent.

£573 per month, where Universal Credit doesn't include help with rent.

Please see link to GOV.UK [Universal Credit work allowances - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/universal-credit-work-allowances)

Earnings Taper rate

The Earnings Taper is the rate at which Universal Credit will gradually reduce as earnings increase. The Earnings Taper rate set is 55%.

Only earnings above the Work Allowance level are subject to the Earnings Taper rate.

To read more about the Work Allowance and the Earnings Taper please go to [Universal Credit work allowances - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/universal-credit-work-allowances/universal-credit-work-allowances)

**To find out more about Universal Credit go to GOV.UK** [Universal Credit: What Universal Credit is - GOV.UK (www.gov.uk)](https://www.gov.uk/universal-credit)