



HM Revenue  
& Customs

**Tax-Free Childcare:  
Understanding the Draft Guidance**

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October 2014

## Tax-Free Childcare: Draft Guidance for Comment

### Introduction

1. The government first introduced Tax-Free Childcare at Budget 2013. It is a new way the government is helping working families with the cost of childcare. It will particularly help you if you're a parent who wishes to take up paid work or to increase your existing working hours.
2. If you're eligible for Tax-Free Childcare, you can open an online childcare account for each of your qualifying children. For every 80p you pay into a childcare account, the government will pay in an extra 20p.
3. You'll be able to get support of up to £2000 per child per year from the government. You can get support for all children if they're under 12, and for disabled children if they're under 17.

### Legislation

4. Parliament is responsible for approving new laws. The Childcare Payments Bill is what will give Tax-Free Childcare a legal basis if Parliament and the Queen approve it. It will then become an Act of Parliament.
5. This Bill was introduced in the House of Commons on 5 June 2014 and MPs debated what is included in the Bill on 14 July 2014. The Bill will be looked at in more detail by a smaller group of MPs during its Commons Committee stage from 14 to 28 October 2014.
6. The Bill does not contain all of the rules of the scheme. It allows more rules to be put in regulations, made by statutory instrument. Two statutory instruments were published for consultation on 14 July 2014 and can be viewed [here](#). The first is the draft Childcare Payments (Eligibility) Regulations which contains detailed rules about who is and is not eligible for the scheme. The second is the draft Childcare Payments Regulations which contains detailed rules about the operation of the scheme. The consultation ended on 3 October 2014. Parliament can look at these regulations after the Bill has been approved.

### Guidance

7. You may need further information to decide what this scheme means for you. We have produced guidance for the scheme, which should help you answer these questions as quickly as possible.
8. We have teams in HMRC and the Government Digital Service (GDS) who are writing guidance on Tax-Free Childcare. We want this guidance to provide easy-to-understand advice for using the scheme.
9. To get this right, it needs to be tested - with you as well as other users of the scheme. This is why we have published our first, draft version of this guidance for you to look at and tell us what you think.
10. Your comments on this draft guidance will help us to make the final guidance as clear as possible.

11. As the government carries on developing Tax-Free Childcare, we will write more guidance. The draft guidance published here is just the first step. We will use what you tell us to improve what we have already written as well as what we write in the future.
12. When the guidance is ready, we'll publish it on GOV.UK. When we do this, if someone needs the guidance in large print, Braille or another alternative format we can provide this.

## Format and Style

13. You may have noticed that all government services have recently been brought under one GOV.UK website, which has the same style throughout. GDS has created a style guide for this website so that all the information on it - including this draft guidance - is easy to understand and is designed for the fact that you're reading from a screen.
14. When you look at this draft guidance, you'll see that we've written it with GDS' style guide in mind:

**Plain English:** This is to make the guidance quick and easy to understand. It uses everyday words that are easy to understand and avoids unnecessary technical language. Its sentences and paragraphs have clear structures.

**Tone of Voice:** You'll notice that the draft guidance uses a conversational, direct and impartial tone of voice that represents government values. This includes using gender neutral terms and the second person wherever possible.

**Order:** The structure of the draft guidance should help you to understand the message as quickly as possible. It includes informative titles at the top of pages, introductory sentences and the repetition of key words.

**Organisation:** The draft guidance is organised so that you remember the information more easily and can return to specific points when you need to. You'll notice bullet point lists, subheadings, highlighted key words and examples. This structure also takes into account the fact that the guidance is published online. When you read online, you don't necessarily read from the top to the bottom of the page. Instead, people generally read webpages in an 'F' shape pattern. They look across the top, then down the side, reading further across when they find what they need. The draft guidance has therefore been 'frontloaded' for you - this means that the most important information is placed within this 'F' shape.

## Content

15. We'd really like to hear your comments on:
  - What we've included in the draft guidance - is this information helpful? For the topics covered in our first draft version of this guidance, is there the right amount of detail?
  - Are you able to pick out the key points quickly and easily?

- Does this guidance follow the GDS style guide - is the language clear?

## Structure

16. Our first, draft version of this guidance covers the areas set out below:

- **Introduction** gives an overview of Tax-Free Childcare and the ways in which you can get support under the new scheme.
- **Eligibility** outlines the criteria you must meet to be entitled to support. It explains that Tax-Free Childcare is for working families and sets out the eligibility requirements - for example, defining both what work is and what it means to be responsible for a child.
- **Registering for Tax-Free Childcare** explores how you can apply for Tax-Free Childcare.
- **Managing your account** describes how you'll maintain your childcare account. It explores how to pay money into and out of a childcare account, how to close an account and how to reconfirm every three months.
- **Advice for Employers** helps employers through the transition from Employer-Supported Childcare to Tax-Free Childcare.
- **Advice for Childcare Providers** sets out how childcare providers can join the scheme. It provides advice and contact details to help childcare providers register with the relevant regulatory bodies.
- **Tax-Free Childcare Checks** explains what will happen if HMRC need to ask you for more information to confirm that you're entitled to Tax-Free Childcare.
- **Reviews, Appeals and Complaints** tells you how to ask for a decision to be looked at again and if things go wrong how HMRC will help put them right as quickly as possible.

## Wider Testing

17. We will also be testing the draft guidance with parents and childcare providers to ensure that it's accessible to as many different people as possible.

## Communications

18. The government will continue its work with stakeholders and other parts of the public sector to ensure that you can access information about the changes being made. It'll deliver a targeted and responsive communications campaign which delivers information and products that suit your needs. It's also considering other potential ways to raise awareness and understanding of Tax-Free Childcare.

19. The success of Tax-Free Childcare depends on whether you're aware of the scheme. Parents will need to know whether they're eligible, how to register and how to make payments into their accounts to receive Government top-ups. Childcare providers will similarly need to know how to use Tax-Free Childcare. Employers must be aware of the changes being introduced so that

they can make any necessary preparations and communicate with their employees, both about the new scheme and any current arrangements under the existing scheme. Other groups such as voluntary organisations will also need to understand the changes so that they're able to offer appropriate help and support to their families.

### How to Comment

20. Your comments on this first draft version of the guidance should be sent to HMRC by 15<sup>th</sup> December 2014.

21. Your comments can be sent to: [tax-free.childcare@hmrc.gsi.gov.uk](mailto:tax-free.childcare@hmrc.gsi.gov.uk)

22. Email responses are preferred. However, you may also submit written responses. They should be sent to:

Tax-Free Childcare Team,  
HMRC,  
Room 1C/20,  
100 Parliament Street,  
London  
SW1A 2BQ

23. You may also use the above addresses for general enquiries about this draft guidance.

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