

entering the scheme it is important for you to be aware of all the features and how joining the scheme might affect your overall financial position.

### • **Effects on Tax Credits**

Working Tax Credit supports those on lower incomes and working parents may be eligible for additional help towards registered childcare costs through the “**Childcare Element**”. The amount of help you receive depends on your circumstances. If you join a childcare voucher scheme money paid through the scheme is not treated as being a payment by you for childcare, therefore reducing the childcare costs that your Working Tax Credit calculation is based on. For example - If your childcare costs £100 per week and you pay the first £55 with a childcare voucher, your Working Tax Credit calculation will be based on the £45 you pay directly to your childcare provider. It is important that you inform the HM revenue & Customs of any changes. You should seek independent advice before making a decision, to ensure that you are not losing out. For more information contact the Tax Credit Helpline on **0845 300 3900** or visit [www.hmrc.gov.uk/childcare](http://www.hmrc.gov.uk/childcare)

### • **Effects on State Benefits**

It is important that you are aware by joining a salary sacrifice scheme it may effect your entitlement to statutory payments such as Statutory Sick Pay, Statutory Maternity Pay, it can also affect your state pension.

**After the salary sacrifice has been taken off your salary it is important that your wage does not fall below the minimum wage.**

### **What are the next steps?**

If you think you and other staff, as well as your employer could benefit through the introduction of a childcare voucher scheme, it is worthwhile putting the suggestion forward through your Line Manager, your Union, an Employee Representative or HR Manager. Fact sheets for employers may be a useful introduction if your employer is not familiar with voucher schemes, these are available from [www.hmrc.gov.uk](http://www.hmrc.gov.uk) in the “employers” section.



### **Useful Contacts:**

For information, advice and guidance contact Bradford Families Information Service  
City Hall, Bradford, BD1. Tel: 01274 437503, Email: [childcare@bradford.gov.uk](mailto:childcare@bradford.gov.uk)  
Text: ‘childcare’ to 07781 472076, Urdu/Punjabi helpline Wednesday, Thursday, Friday 8.30am-4.30pm Tel: 01274 431252.

For more information about Working Tax Credits contact Tax Credit Helpline: 0845 300 3900, Open 8am to 8pm everyday including weekends, Textphone: 0845 606 6668  
Visit: [www.taxcredits.inlandrevenue.gov.uk](http://www.taxcredits.inlandrevenue.gov.uk) for an online claim.

Daycare Trust Tel: 0845 872 6251 Website: [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk)  
Job Centre Plus Website: [www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk) and you can find your nearest jobcentre  
You can also visit: [www.direct.gov.uk](http://www.direct.gov.uk) for useful information on Tax Credits.



# **A Guide to Child Tax Credit**



### **What is Child tax Credit?**

Child Tax Credit supports families with children. You can claim Child Tax Credit if you have a new baby or you're responsible for any children under 16. You can also qualify if you have children aged 16 to 19, as long as they're in certain types of education or training.



Child Tax Credit helps to support:

- A child until 1 September after their 16<sup>th</sup> birthday
- Young People from 16 to 19 years old in full time non advanced education or approved, unwaged training.



### **When can I claim for a child?**

You can usually claim Child Tax Credit for:

- A new baby
- Any child who lives with you, until 31 August after their 16th birthday
- Children under 20, if they're in certain types of education or training



If you have a baby, your payments can be backdated to when the baby was born - but only if you claim within three months. For example, if your baby was born on 1 January but your claim is received on 1 June, you'll only be paid from 1 March.



Once 31 August after your child's 16th birthday passes, you can still claim Child Tax Credit for them, as long as they are:

- Under 20
  - In education or training that counts for Child Tax Credit
- Education or training counts for Child Tax Credit if it's either full-time, 'non-advanced' education, or 'approved' training. For example 'A' levels, or Foundation Learning.



### **How much can I claim?**

Child Tax Credit will be paid in addition to Child Benefit. You can claim Child Tax Credit whether or not you are in work. The amount you receive depends on your annual household income. Child Tax Credit is paid directly to the main carer for all the children in the family. You can choose whether to receive payment weekly or every four weeks.



### **How do I claim tax credits or get more information?**

You can phone the Tax Credits helpline on **0845 300 3900**, or visit [www.taxcredits.inlandrevenue.gov.uk](http://www.taxcredits.inlandrevenue.gov.uk) to do an online calculation to find out how much you can get. You can make your claim online.



# A Guide to Working Tax Credit

## What is Working Tax Credit?

Working Tax Credit (WTC) is a payment for people who are working and on a low income. WTC is paid by HM Revenue and Customs (HMRC) directly into your bank or building society account, or into a post office card account.

**The amount of Working Tax Credit you are entitled to depends on the following factors:** Income, hours of work, number of children, child's age, if you are single or part of a couple, if your child has an additional need and if you are over 50 years old or coming off benefits.

The tax credit calculation is very complicated. There is a HMRC online questionnaire which you can use to find out whether you qualify for WTC and how much you should get. Go to HM Revenue and Customs's website at: [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## How much can I claim?

Working Tax Credit is paid on top of Child Tax Credit. It has several elements; the amount you receive depends on your personal circumstances. Contact Tax Credit Helpline on **0845 300 3900** or visit [www.taxcredits.inlandrevenue.gov.uk](http://www.taxcredits.inlandrevenue.gov.uk) to do an online calculation.

## What is the Childcare Element of Working Tax Credits?

You can claim if you have a child in registered or approved childcare and are:

- A **lone parent**, aged **16 or over** and **work at least 16 hours per week**.
- Or a **couple**, both aged **16 or over** and both working at least **24 hours** between them, with one working at least **16 hours** individually; or they will lose the tax credit, worth **£3,870** a year.
- The HMRC has examples of what this will mean in practice on its web site at: [www.hmrc.gov.uk/taxcreditsbudget/tc-budget-changes.htm](http://www.hmrc.gov.uk/taxcreditsbudget/tc-budget-changes.htm)

**The childcare element could save you up to 70p in every £1 you spend on childcare costs depending on income.**

## How long is Working Tax Credit paid for?

Tax credits are awarded for a complete tax year. A tax year runs from **6 April** to **5 April** the following year. If you claim after 6 April, your award will run from the date you claim to the end of the tax year. If your circumstances change during the period of your award, you should tell HMRC as soon as possible, as your tax credit entitlement could be affected.

Working Tax Credit is paid directly into your bank or building society on a weekly or 4-weekly basis. If you are getting tax credits you may also be able to get **extra help**, including: health costs, free school meals, sure start maternity grant.

# A Guide to Childcare Vouchers

## What are Childcare Vouchers?

Childcare vouchers offer a cost-effective way in which employers are able to assist their staff with payment for childcare. Some employers run a scheme with the help of a childcare voucher company and pay that company an administration fee for their service. Childcare vouchers are normally offered as a Salary Sacrifice Scheme. This means that you agree to having a fixed amount deducted from your wage in exchange for childcare vouchers. As you formally agree to a reduction to your taxable salary, your contract must be updated, or have a signed agreement included in it, that reflects the salary sacrifice arrangements. In exchange, the voucher company will provide you with childcare vouchers to pay for registered childcare.

## Do childcare vouchers save me money?

Yes. The amount of vouchers you buy is taken directly off your salary and is exempt from Tax and National Insurance Contributions, therefore saving you money. Currently the maximum amount of childcare vouchers you can buy is £243 per month or £55 per week (Double if your partner is also eligible).

## Where can I use the vouchers?

Childcare vouchers can be used to pay for any Ofsted "registered" childcare. Registered childcare includes:

- Childminders
- Nurseries
- Before and after school care
- Holiday playschemes.
- Homechildcarers

All childcare providers can accept payment through childcare vouchers as long as they have a bank account. There is no cost for the childcare provider to receive payment, however, not all providers will accept vouchers, so you need to check with them first. If your childcare provider is interested in childcare vouchers they can get an information pack direct from the voucher company.

## Can my partner buy childcare vouchers?

Yes. Each employed parent using registered childcare can join a salary sacrifice scheme, as long as their employer offers them. **Speak to your employer for more information.**

## At what age does a child cease to qualify for childcare vouchers?

A child qualifies up to 1st September following their 15th birthday or 1st September following their 16th birthday if they are disabled.

## Is there anything I should be aware of?

Childcare vouchers can be an incentive for some employees, but before