

# The Childcare Account fact sheet

## Registered and Approved Childcare

From April 2006, new income tax and National Insurance exemptions applied in respect of employer-supported childcare. The effect of these new exemptions is that the first £55 per week (£243 per month) of registered or approved childcare paid for through a Childcare Account will be free from both income tax and National Insurance contributions.

The phrase 'registered or approved' is important. It means that if you are a parent using the Childcare Account to pay for childcare, you will only be able to participate and enjoy the savings if one of these two requirements is met:-

### 1. That your carer is registered

Registered childcare includes:

- registered childminders, nurseries and play schemes\*
- out-of-hours clubs on school premises run by a school or local authority
- childcare schemes run by school governing bodies under the 'extended schools' scheme
- childcare schemes run by approved providers, for example, an out-of-school hours scheme or a provider approved under a Ministry of Defence accreditation scheme
- in England only, childcare given in the child's own home\*\* by a domiciliary worker or nurse from a registered agency who cares for the child or children
- in Scotland only, childcare given in the child's own home\*\* by (or introduced through) childcare agencies, including sitter services and nanny agencies, which must be registered
- approved foster carers (the care must be for a child who is not the foster carer's foster child)

\* childcare provided away from the child's own home is required to be registered in England and Wales for children up to and including 7 years, in Scotland for children up to age 16 and in Northern Ireland for children up to and including age 12.

\*\* childcare provided in the child's own home will not qualify if the person approved to give that childcare is a relative of the child. Relative means a parent, grandparent, aunt or uncle, brother or sister (whether by blood, half-blood, marriage or affinity), and includes step-parents.

A registered childminder, nursery or childcare scheme is one that is registered:-

- in England, by OFSTED or the National Care Standards Commission
- in Wales, by the National Assembly for Wales (through the Care Standards Inspectorate for Wales)
- in Scotland, by the Scottish Commission for the Regulation for Care, and
- in Northern Ireland, by a Health and Social Services Trust

### 2. That your carer is approved

Full details of the Childcare Approval Scheme for England can be found by visiting the scheme website [www.childcareapprovalscheme.co.uk](http://www.childcareapprovalscheme.co.uk) or by calling **0845 7678 111**.

The scheme will provide recognised national status for individuals providing childcare in England where there is no other requirement to register and where the childcare is provided in the child's own home or, solely for children aged over 7, on other domestic premises.

#### What the childcare approval scheme does

1. It verifies that the carer has a childcare qualification or has attended an induction course that is deemed appropriate.
2. It verifies that the carer has undergone appropriate first aid training within 3 years prior to the date of approval.
3. It carries out an enhanced CRB (Criminal Records Bureau) check including a POCA (Protection of Children's Act) list check.
4. It applies only to childcare provided in England.

Applicants who have lived continuously for 6 months or more in a country, other than Great Britain, in the 5 years prior to applying should visit the website or phone the helpline for guidance.

#### Who is the Approval Body?

Nestor Primecare Services Ltd. has been chosen to act as the approval body on behalf of the Department for Education and Skills (DFES).

#### What qualifications are necessary?

In order to become approved, the carer will need to demonstrate that they have a relevant childcare qualification, or have attended a suitable induction course. The full list of acceptable qualifications can be viewed by visiting the scheme website [www.childcareapprovalscheme.co.uk](http://www.childcareapprovalscheme.co.uk), or by calling the helpline **0845 7678 111**.

In addition, the carer must have attended a first aid course suitable for the care of babies and children, including training in the following areas:

- Dealing with emergencies
- Resuscitation
- Shock, choking and anaphylactic shock

The course must have been completed within 3 years prior to the date of application for approval.

#### Who can apply?

Anyone who satisfies the criteria can apply to be approved, but being approved is not a guarantee of entitlement to financial support. Parents may not claim Working Tax Credits or get the benefit of the new tax exemptions for employer-supported childcare where a relative provides the care. The only exception is when a relative is a registered childminder and also cares for a child they are not related to alongside the child that is a relative.

Typical applications to become approved are likely to come from nannies looking after children in the parent's own home, or from unregistered childminders caring only for children aged over 7 on domestic premises.

#### What is the cost?

As the scheme is self-funding the annual cost of obtaining approved status will be £96, which includes the cost of the CRB check and VAT. The carer will be approved for a 12-month period and will then require renewal for which the fee will also be £96 per annum.

#### What is the application process?

Applications are accepted from carers from 4<sup>th</sup> January 2005. The process for gaining Approval is as follows:-

- The carer can complete an online enquiry form at the Approval Scheme website [www.childcareapprovalscheme.co.uk/apply.asp](http://www.childcareapprovalscheme.co.uk/apply.asp) or carry out the process over the telephone by calling **0845 7678 111**.
- Nestor Primecare Services Ltd. will assess the information provided and determine whether the carer has the necessary qualifications (see above) and a valid first aid certificate. [www.childcareapprovalscheme.co.uk/carers/firstaid.asp](http://www.childcareapprovalscheme.co.uk/carers/firstaid.asp)
- If the carer possesses the correct qualifications, they will be asked to pay the approval fee of £96 for the first year.
- The carer will be given a date for appointment to visit a local office of Nestor Primecare Services Ltd. (the Approval Body with over 200 offices nationwide) to present their documentation and identification requirements.

After the appointment, the Approval Body will apply for the necessary CRB checks. NOTE – any checks that have already been carried out (for example by the parent) are not valid for the Approval process.

- Upon receipt of the CRB check results, and subject to the Approval Body being satisfied that the disclosure does not contain any information, which, in their opinion, would make the applicant unsuitable to work with children, the carer will be issued with an approved certificate and approved number. The initial approved period will be for 12 months, which will commence from 6<sup>th</sup> April 2005.
- The carer can provide the approved number and expiry date to the parent, who may then use this information in support of any claim for Working Tax Credits, or to get the benefit of the new income tax exemptions for employer supported childcare, such as the Childcare Account.
- Approximately 8 weeks before the expiry of the Approved period, the carer will get a reminder, and the above steps will need to be followed once again – including the payment of the £96 annual fee.

#### What does the Childcare Account need?

Unfortunately there will be no retrospective concessions, so it is vital that Approval is gained and advised to the Childcare Account upon application.

In order to fully comply with tax and National Insurance Contributions law, if the Childcare Account is not in possession of the relevant information, we are unable to continue to make tax efficient payments into parents' Childcare Accounts. Any tax benefits wrongly received by parents will need to be repaid (even if the carer is approved subsequently), normally by the employer making an adjustment to PAYE contributions.

#### I am a carer, can I get additional support?

The National Childminding Association of England and Wales (NCMA), a non-profit making registered charity, offers membership packages for registered childminders, nannies and over-7s childminders. These include public liability insurance, comprehensive membership handbooks, a quarterly magazine, free legal advice and representation, help with training and telephone support. For more information call NCMA's Membership Services line: **020 8290 8999** or visit their website [www.ncma.org.uk](http://www.ncma.org.uk).

#### Further information

[www.childcareapprovalscheme.co.uk](http://www.childcareapprovalscheme.co.uk)  
[www.inlandrevenue.gov.uk/childcare](http://www.inlandrevenue.gov.uk/childcare)

Childcare Approval Helpline **0845 7678 111**

Inland Revenue Tax Credits Helpline  
**0845 300 3900** (tax credit queries only)

NSPCC Child Protection **0800 800 5000**

OFSTED Early Years Directorate Regional Helpline  
**0845 601 4771**

National Childminding Association **020 8290 8999**

Childcare Account **0845 6076126**

