

## SCHEDULES

### SCHEDULE 8

#### REDUCTION IN CHILDCARE RELIEF FOR HIGHER EARNERS

*Childcare provided otherwise than at employer's premises etc*

5 After section 318A insert—

#### **“318AA Meaning of “relevant earnings amount” and “required time”**

- (1) For the purposes of section 318A, “relevant earnings amount”, in the case of an employee provided with care by an employer for any qualifying week in a tax year, means—
  - (a) the aggregate of—
    - (i) the amount of any relevant earnings for the tax year from employment by the employer, and
    - (ii) any amounts treated under Chapters 2 to 12 of Part 3 as earnings from such employment, less
  - (b) the aggregate of any excluded amounts.
- (2) But if the employee becomes employed by the employer during the tax year, what would otherwise be the amount of the aggregate mentioned in subsection (1)(a) is the relevant multiple of that amount; and the relevant multiple is—

$$\frac{365}{RD}$$

where RD is the number of days in the period beginning with the day on which the employee becomes employed by the employer and ending with the tax year.

- (3) In subsection (1)—
  - “relevant earnings” has the same meaning as in subsection (1)(a) of section 270B (see subsection (3) of that section), and
  - “excluded amounts” has the same meaning as in subsection (1) (b) of section 270B (see subsection (4) of that section).
- (4) In section 318A “the required time”, in the case of an employee, means—
  - (a) if the employee joins the scheme under which the care is provided at a time during the tax year, that time, and
  - (b) otherwise, the beginning of the tax year.
- (5) For the purposes of subsection (5)(a) the employee is taken to join the scheme as soon as—

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*Status: This is the original version (as it was originally enacted).*

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- (a) the employer has agreed that care will be provided under the scheme for the employee, and
  - (b) there is a child falling within section 318A(3)(a) or (b) in relation to the employee.
- (6) The Treasury may by order amend this section.”