



# Childcare Payments Act 2014

## 2014 CHAPTER 28

### *Introductory*

#### **1 Entitlement to receive money towards costs of childcare**

- (1) This Act contains provision for HMRC to make payments (“top-up payments”) to be used towards the costs of qualifying childcare.

For the meaning of “qualifying childcare”, see section 2.

- (2) A person is entitled to receive a top-up payment for an entitlement period in respect of a child if—

- (a) the person is an eligible person for the entitlement period (see section 3),
- (b) the person has made a valid declaration of eligibility for the entitlement period (see section 4),
- (c) the child is a qualifying child (see section 14),
- (d) the person holds a childcare account in respect of the child (see section 15), and
- (e) a qualifying payment is made into the childcare account during the entitlement period (see section 19).

- (3) HMRC must pay the top-up payment into the childcare account.

- (4) The amount of the top-up payment is 25% of the amount of the qualifying payment.

(For provision limiting the amount of qualifying payments that may be made into a childcare account in an entitlement period, see section 19(4).)

- (5) Regulations may amend subsection (4) so as to substitute a different percentage for the percentage for the time being specified there.

- (6) Sections 17 to 25 contain provision about childcare accounts, including restrictions on the kinds of payments that may be made from childcare accounts.

- (7) Sections 26 to 29 contain provision about obtaining and sharing information.

- (8) Sections 30 to 34 contain special rules about persons who are claiming tax credits or universal credit.
- (9) Sections 35 to 55 contain provision about penalties and other enforcement powers, including powers to recover top-up payments in certain circumstances.
- (10) Sections 56 to 61 contain provision about reviews and appeals.
- (11) Section 62 contains provision enabling HMRC in certain circumstances to compensate persons who have been deprived of the opportunity to receive top-up payments.
- (12) Sections 63 and 64 contain provision for the withdrawal of tax exemptions in respect of certain kinds of employer-provided childcare schemes.

## **2 Qualifying childcare**

- (1) In this Act “childcare” means any form of care or supervised activity for a child that is not provided in the course of the child’s compulsory education.
- (2) Childcare that is provided for a person is “qualifying childcare” for the purposes of this Act if—
  - (a) it is registered or approved childcare, and
  - (b) the main reason, or one of the main reasons, for incurring the costs of the childcare is—
    - (i) to enable the person to work, or
    - (ii) where the person has a partner, to enable both the person and the person’s partner to work.
- (3) Regulations may—
  - (a) make provision about what is, or is not, to be regarded as registered or approved childcare for the purposes of this section;
  - (b) define what is meant by “work” for the purposes of this section;
  - (c) specify cases where the condition in subsection (2)(b) is to be treated as met;
  - (d) specify cases where that condition does not need to be met.
- (4) Regulations made under subsection (3)(a) may, in particular, provide that childcare provided outside the United Kingdom is registered or approved childcare if it is provided by a person approved by an organisation that is accredited by a person or body under an enactment.
- (5) Subsection (2) is subject to any direction made under section 50 (which enables HMRC in certain circumstances to direct that childcare provided by a person is not qualifying childcare).