

CHILDCARE PAYMENTS ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Childcare Accounts

Section 15: Childcare accounts

80. *Section 15* deals with the rules which apply to childcare accounts.
81. A childcare account is defined in subsection (1) as an account which a person holds for the purpose of receiving Government top-up payments in respect of a qualifying child, which meets the rules set out in the Act, and which is provided by an account provider as defined in section 16.
82. Subsection (2) provides that a childcare account can only be held for a single qualifying child. This means that, where a person has responsibility for two or more qualifying children, they must hold a separate childcare account for each child in order to receive Government top-up payments.
83. Subsection (4) permits regulations to be made which allow a person to operate a childcare account on behalf of an account-holder. This will allow, for example, an account-holder to nominate their partner to manage their childcare account.
84. Subsection (7) provides that, where a contract is entered into by or on behalf of a person aged 16 or 17, it will have the same effect as if that person were aged 18 or over. This is to ensure that contracts relating to childcare accounts entered into by persons aged 16 or 17 years old are legally binding.
85. Subsection (8) allows an account provider to charge fees in connection with childcare accounts, provided that HMRC gives its consent. This would allow an account provider, for example, to charge a person a fee for using a credit card to pay money into a childcare account. However, this is subject to subsection (9) which prevents an account provider from charging fees for providing and operating the account.