

CHILDCARE PAYMENTS ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Recovery of Top-Up Payments

Section 39: Recovery of top-up payments where person fails to give childcare account notice

166. **Section 39** sets out the rules that apply where a person has a childcare account, they or their partner are part of a relevant childcare scheme as set out in section 12 and they fail to leave that scheme. This section allows HMRC to recover top-up payments that the person has received.
167. Subsection (1) provides for the section to apply where a person makes a declaration of eligibility in a case where they or their partner are included in an employer's tax-exempt childcare scheme and they (or their partner) fail to leave the scheme before the end of the 'relevant period'. Under subsection (3) an amount equal to any top-up payments made in the entitlement period will be payable to HMRC by the person who made the declaration.
168. Subsection (2) defines the 'relevant period' as the entitlement period for which the declaration was made, or, if the declaration was made when opening a childcare account, the three-month period beginning with the day the declaration was made.