

---

STATUTORY INSTRUMENTS

---

**2020 No. 656**

**CHILDCARE  
PAYMENT SCHEME**

**The Childcare Payments (Coronavirus and  
Miscellaneous Amendments) Regulations 2020**

<i>Made</i>	- - - -	<i>29th June 2020</i>
<i>Laid before Parliament</i>		<i>30th June 2020</i>
<i>Coming into force</i>	- -	<i>21st July 2020</i>

The Treasury, in exercise of the powers conferred by sections 10(2) and (3) and 69(2) of the Childcare Payments Act 2014<sup>(1)</sup>, make regulations 1, 2 and 3, and the Commissioners for Her Majesty's Revenue and Customs, in exercise of the powers conferred by sections 20(7) and 69(3) of the Childcare Payments Act 2014, make regulations 1, 4 and 5.

**Citation and Commencement**

1. These Regulations may be cited as the Childcare Payments (Coronavirus and Miscellaneous Amendments) Regulations 2020 and come into force on 21st July 2020.

**Amendments to the Childcare Payments (Eligibility) Regulations 2015**

2. The Childcare Payments (Eligibility) Regulations 2015<sup>(2)</sup> are amended as follows.

3. In regulation 15 (income not to exceed a certain level)—

(a) after paragraph (1) insert—

“(1A) A person who is a critical worker—

(a) who does not expect their adjusted net income for the tax year 6th April 2020 to 5th April 2021 to exceed £150,000;

(b) who, in the absence of the coronavirus outbreak, would not expect their adjusted net income for that tax year to exceed £100,000; and

(c) who satisfies the condition in paragraph (1B),

is treated as meeting the condition of eligibility in section 10.

---

(1) 2014 c. 28.

(2) S.I. 2015/448. Regulation 15 was amended by S.I. 2016/793.

(1B) The condition is that, where the critical worker’s income exceeds £100,000, that excess must be mainly attributable to earnings from work undertaken directly or indirectly as a result of the incidence or transmission of coronavirus.”;

- (b) in paragraph (4) before the definition of “hypothetical adjusted net income” insert—
- ““coronavirus” means severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
- “critical worker” means a worker in any part of the United Kingdom in a critical sector listed in the document entitled “Critical workers who can access schools or educational settings” in the version published by the Cabinet Office and the Department for Education on 16 June 2020(3);”.

### **Amendments to the Childcare Payments Regulations 2015**

4. The Childcare Payments Regulations 2015(4) are amended as follows.
5. After regulation 16 (variation of relevant maximum: infrastructure failure) insert—

#### **“Payments that may be made from childcare accounts**

**16A.**—(1) A payment is treated as a permitted payment where it includes a reasonable fee payable to an intermediary.

(2) For the purposes of paragraph (1), where there is more than one intermediary in the payment chain the total of all fees must be reasonable.

(3) In this regulation “intermediary” means a supplier of an electronic payment system which allows persons to make payments into that system for the ultimate purpose of making payments to qualifying childcare providers.”.

29th June 2020

*Maggie Throup*  
*James Morris*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury  
*Jim Harra*  
*Justin Holliday*

29th June 2020

Two of the Commissioners for Her Majesty’s  
Revenue and Customs

---

(3) The guidance may be found at <https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-educational-provision/guidance-for-schools-colleges-and-local-authorities-on-maintaining-educational-provision> . A hard copy will be provided on request.

(4) [S.I. 2015/522](#), to which there are amendments not relevant to these Regulations.

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend regulation 15 of the Childcare Payments (Eligibility) Regulations 2015 (S.I. 2015/448) and insert new regulation 16A into the Childcare Payments Regulations 2015 (S.I. 2015/522).

Regulation 3, amending regulation 15 of the Childcare Payments (Eligibility) Regulations 2015, is added due to the occurrence of the coronavirus pandemic. It specifies a new higher maximum level of income of £150,000, for eligibility under the Childcare Payments Act 2014 (c. 28) for critical workers whose working hours have increased directly or indirectly as a result of coronavirus, and so whose income may consequently exceed the existing limit of £100,000. The new limit applies during the tax year 2020 to 2021.

Regulation 5 amends the Childcare Payments Regulations 2015 by inserting new regulation 16A. This regulation allows for a permitted payment from a childcare account to include a payment to an intermediary or between intermediaries for the purpose of paying a childcare provider.

A full impact assessment of the effect that the introduction of the childcare payments scheme would have on the costs of business and the voluntary sector was published on 10th June 2014 alongside the draft Childcare Payments Bill and was updated on 20th November 2014. It is available from the gov.uk website at <https://www.gov.uk/government/publications/tax-free-childcare-impact-assessment>. It remains an accurate summary of the impacts that apply to this instrument. An updated impact assessment in relation to secondary legislation was made on 30th March 2017 and is available at the [gov.uk](https://www.gov.uk) website.