

CHILDCARE ACCOUNTS CAN SUBSIDISE SUMMER CHILDCARE COSTS

If you have children under 12 who attend a nursery, after school club, playscheme or childminder, or you are considering sending them to a summer camp, you should think about setting up a tax-free childcare account. The government adds 25% to the amounts that you save in the account - up to £2,000 for each child - so £8,000 is topped up to £10,000 (a higher amount applies for disabled children).

The account is then used to pay Ofsted registered childcare providers. Note that it doesn't need to be the child's parents paying into the account; uncles, aunts, grandparents and others can also make payments, The government have noticed that many families who are eligible for this scheme are yet to set up their accounts, so if you are an employer you could bring this to the attention of your staff to increase the take up.

Note that parents are not eligible if either of them have adjusted net income in excess of £100,000 for the current tax year.