



Comparison table of Childcare Vouchers & Tax-Free Childcare

	Childcare Vouchers	Tax-Free Childcare
What is the maximum saving per year?	Up to £933* per parent (£1,866 per family). *Based on a basic rate tax payer.	20% on childcare costs of up to £10,000 per child or £20,000 for disabled children.
How much would I save?	This depends on your personal circumstances and how much your childcare costs. If you spend £100 on childcare you could save £32 / 32% (based on a basic rate taxpayer).	This depends on your personal circumstances and how much your childcare costs. If you spend £100 on childcare you could save £20 / 20% (based on a basic rate taxpayer).
Am I eligible on my income?	Parents must be earning above the national minimum wage once Childcare Vouchers are deducted. There is no upper limit on salary.	Parents must be earning above an average of £120 a week but under £100,000 a year.
Is it available to the self employed?	No, Childcare Vouchers must be taken through PAYE salary deductions.	Yes, Tax-Free Childcare is available to the self employed.
How long can I claim this for my children?	Childcare Vouchers are available to use for children up to the age of 15.	Tax-Free Childcare will be available for children up to the age of 12 or 17 if disabled.
Can both parents claim if separated or divorced?	Yes, the saving is per parent, so both households can claim childcare vouchers.	No, the account is per child, so only one household can claim.
What happens if I take Child Tax Credits?	You are allowed to take both Childcare Vouchers and Child Tax Credits, but you would be advised to use the Government's 'Better off Calculator' to ensure that this is the best option for your family.	You will have to opt out Child Tax Credits to take Tax-Free Childcare, (which could result in a loss of £545 a year). Tax Free childcare and universal credits cannot be claimed together.

Must both parents be working?	No, whether your partner works has no effect on you claiming Childcare Vouchers through your employer.	Yes – TFC is for households where all parents are working at least 16 hours per week.
Where is the scheme administered?	Childcare Vouchers are run through payroll, so eligibility checks are completed by the employer.	Parents will be responsible through the government website for confirming their own eligibility every quarter, and managing their account.
When does the scheme start?	Childcare Vouchers are available now, (the scheme will close to new joiners in April 2018).	Tax-Free Childcare rolled out in April 2017 for children up to 6 years of age, this will be available for children of all ages up to 12 years old as of April 2018, up to 17 if child is disabled.
Will my childcare provider be able to accept payment via this scheme?	As long as your childcare provider is registered with Ofsted (or an equivalent governing body) they can accept childcare vouchers.	As long as your childcare provider is registered with Ofsted (or an equivalent governing body) they will be able to accept Tax-Free Childcare.