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SCHEDULES

SCHEDULE 13

CHILDCARE AND CHILDCARE VOUCHERS

Childcare vouchers

- 3 In Chapter 6 of Part 4 of the Income Tax (Earnings and Pensions) Act 2003 (exemptions: non-cash vouchers and credit-tokens), after section 270 insert—

“270A Limited exemption for qualifying childcare vouchers

- (1) If qualifying childcare vouchers are provided for an employee, liability to income tax by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit tokens) arises only in respect of so much of the cash equivalent of the benefit as exceeds the exempt amount.
- (2) A “qualifying childcare voucher” means a non-cash voucher in relation to which Conditions A to C are met.
- (3) Condition A is that the voucher is provided to enable an employee to obtain care for a child who—
 - (a) is a child or stepchild of the employee and is maintained (wholly or partly) at the employee’s expense, or
 - (b) is resident with the employee and is a person in respect of whom the employee has parental responsibility.
- (4) Condition B is that the voucher can only be used to obtain qualifying child care.
- (5) Condition C is that the vouchers are provided under a scheme that is open—
 - (a) to the employer’s employees generally, or
 - (b) generally to those at a particular location.
- (6) For the purposes of this section the “exempt amount”, in any tax year, is £50 for each qualifying week in that year.
- (7) A “qualifying week” means a tax week in respect of which a qualifying childcare voucher is received.

A “tax week” means one of the successive periods in a tax year beginning with the first day of that year and every seventh day after that (so that the last day of a tax year or, in the case of a tax year ending in a leap year, the last two days is treated as a separate week).
- (8) An employee is only entitled to one exempt amount even if care is provided for more than one child.

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But it does not matter that another person may also be entitled to an exempt amount in respect of the same child.

- (9) An employee is not entitled to an exempt amount under this section and under section 318A (limited exemption for employer-contracted childcare) in respect of the same tax week.
- (10) In this section “care”, “child”, “parental responsibility” and “qualifying child care” have the same meaning as in section 318A (see sections 318B and 318C).
- (11) The powers conferred by section 318D (childcare: power to vary exempt amount and qualifying conditions) are exercisable—
 - (a) in relation to the exempt amount specified in subsection (6) above as in relation to the exempt amount specified in section 318A(6), and
 - (b) in relation to the qualifying conditions for the exemption conferred by this section as in relation to the qualifying conditions for the exemption conferred by section 318A.”.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)