



Childcare Payments Act 2014

2014 CHAPTER 28

Withdrawal of existing tax exemptions

64 Restrictions on claiming tax exemption for employer-contracted childcare

- (1) Section 318A of ITEPA 2003 (childcare: limited exemption from income tax for other care) is amended as follows.
- (2) In subsection (1)—
 - (a) before “employee” insert “ eligible ”, and
 - (b) after “For” insert “ the meaning of “eligible employee”, see section 318AZA, and for ”.
- (3) In subsection (5)(a), before “employees” insert “ eligible ”.
- (4) After section 318A of ITEPA 2003 insert—

“318AZA Meaning of “eligible employee”

- (1) An employee is an eligible employee for the purposes of section 318A if conditions A to C are met in relation to the employee.
- (2) Condition A is that the employee—
 - (a) was employed by the employer immediately before the relevant day, and
 - (b) has not ceased to be employed by the employer on or after that day.
- (3) “The relevant day” means the day specified by the Treasury in regulations for the purposes of this section.
- (4) Condition B is that there has not been a period of 52 tax weeks ending on or after the relevant day which has not included at least one qualifying week.
- (5) In subsection (4)—

“qualifying week” means a tax week in which care for a child has been provided for the employee under the scheme by the employer in

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circumstances in which conditions A to D in section 318A are met, and

“tax week” has the meaning given by section 318A(7).

- (6) Condition C is that the employee has not given the employer a childcare account notice.
 - (7) A “childcare account notice” is a written notice informing the employer that the employee wishes to leave the scheme in order to be able to open a childcare account under section 17 of the Childcare Payments Act 2014 or enable the employee's partner to do so.
 - (8) In subsection (7) “partner” is to be read in accordance with regulations made under section 3(5) of that Act.
 - (9) For the meaning of “care” and “child”, see section 318B.”
- (5) In section 318B of ITEPA 2003 (childcare: meaning of “care”, “child” etc), in subsection (1), for “318 and 318A” substitute “ 318 to 318AZA ”.
 - (6) In section 717 of ITEPA 2003 (orders and regulations), in subsection (4), before “section 343(3)” insert “ section 318AZA(3) (exemption from income tax for other care: meaning of “eligible employee”), ”.

Commencement Information

II S. 64 in force at 21.4.2017 by S.I. 2017/578, reg. 3(f) (with reg. 8)

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