



Universal Credit Childcare Payments

What Is Universal Credit?

Universal Credit is a payment to help with living costs for people who are unable to work or are on a low income. It is paid monthly and replaces these historical benefits:

- > Child Tax Credit
- > Housing Benefit
- > Income Support
- > income-based Jobseeker's Allowance (JSA)
- > income-related Employment and Support Allowance (ESA)
- > Working Tax Credit

The amount paid through Universal Credit can be affected by income, other benefits being claimed and savings/investments.

Who is eligible for Universal Credit?

- > There is a government online benefits calculator that will work out whether an individual is eligible for Universal Credit.

Can families pay for childcare using Universal Credit?

- > For some families, Universal Credit can be used to pay for a proportion of childcare costs, provided that the childcare is accessed from a registered provider (Ofsted or agency-registered), such as a nursery, childminder, nanny, holiday club, breakfast club, after school club etc.

'You can claim back up to 85% of your childcare costs if you're working. If you live with your partner both of you need to be working, unless one of you is unable to work due to a disability or health condition.' (GOV.UK, 2012)

- > The monthly amount available for childcare is capped at £950.92 for a single child and £1630.15 for two or more children.

How can childcare be paid using Universal Credit?

- > Families will usually need to pay for childcare services upfront and then claim the money back from Universal Credit after providing childcare. However, some families may be able to receive help by contacting their work coach and asking about eligibility for the 'Flexible Support Fund' or a 'Budgeting Advance loan.'
- > Childcare payments are usually added to the monthly Universal Credit amount paid and they can go up or down depending on monthly earnings.

How can families claim childcare costs through Universal Credit?

- > Before claiming childcare costs through Universal Credit for the first time, parents/carers will need to prove that their child has been registered for childcare at a setting. They will need to provide a contract, invoice or headed letter, showing the provider's name, registration number, address and phone number, as well as details of the childcare type (e.g. nursery, holiday club) and confirmation that they are looking after the named child.
- > Parents/carers might also need to prove when childcare was provided, how much they paid and the date the payment was made. This could be done using bank statements, invoices and/or receipts.

When can childcare costs be claimed?

- > Parents can report their childcare costs via their online Universal Credit account. Ideally, these should be reported as soon as invoices are paid but can be claimed for up to two months after this.

