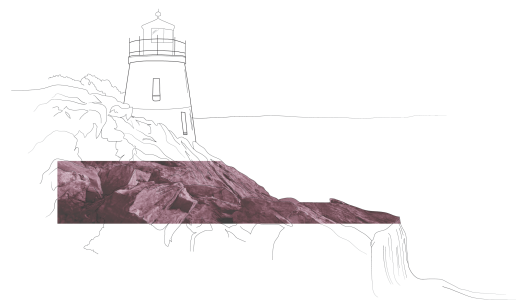


CHILDCARE CONSULTATION LAUNCHED

On 5 August 2013, the Government launched a consultation on a new type of tax-free childcare scheme. It is anticipated that the new scheme will be phased in from Autumn 2015, replacing the current salary sacrifice scheme.

In outline, the tax-free childcare scheme will require parents to register online with a voucher provider, with the Government paying in 20p for every 80p that is paid into the account, up to an annual limit of £1,200 per child. Giving the equivalent of up to £6,000 basic rate tax relief.

The scheme will initially be available to children under the age of 5, but will be gradually expanded to include all children under 12. In order to eligible for the scheme, neither parent can earn more than £150,000 a year.



The consultation seeks views from parents, childcare providers, employers and current and potential future voucher providers. The consultation closes on 14 October 2013.