



Childcare Payments Act 2014

2014 CHAPTER 28

Childcare accounts

15 Childcare accounts

- (1) In this Act “childcare account” means an account which—
 - (a) is held by a person for the purpose of receiving top-up payments in respect of a qualifying child,
 - (b) is provided by a person or body within section 16(1),
 - (c) satisfies the requirements imposed by or under this Act, and
 - (d) has been opened in accordance with this Act.
- (2) Each childcare account must be held in respect of one child only.
- (3) Regulations may—
 - (a) impose other requirements which must be satisfied in relation to childcare accounts, and
 - (b) make provision about the way in which payments may be made into, or from, childcare accounts.
- (4) Regulations may provide that a person of a specified description may, or may in specified circumstances, manage a childcare account on behalf of the account-holder.
- (5) The provision that may be made by regulations under subsection (4) includes—
 - (a) provision enabling HMRC to appoint a person for the purpose of managing a childcare account on the account-holder's behalf, and
 - (b) provision specifying functions in relation to the management of a childcare account which persons, or persons of a specified description, may not perform on an account-holder's behalf.
- (6) In subsections (4) and (5) “specified” means specified in the regulations.
- (7) Where a contract is entered into by or on behalf of a person who is 16 or 17 years old in connection with a childcare account held by the person, the contract has effect as if the person had been 18 or over when it was entered into.

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- (8) If the Commissioners so consent, fees may be charged in connection with a childcare account by the account provider.
- (9) But the account provider may not charge any fees merely for—
- (a) providing a childcare account,
 - (b) enabling a qualifying payment to be made into a childcare account (see section 19), or
 - (c) enabling a payment to be made from a childcare account in respect of qualifying childcare for the child in respect of whom the account is held.
- (10) In this Act—
- (a) the “account-holder”, in relation to a childcare account, means the person who holds the childcare account, and
 - (b) the “account provider”, in relation to a childcare account, means the person or body who provides the childcare account.

Commencement Information

- I1** S. 15 partly in force at Royal Assent; s. 15 in force for specified purposes at Royal Assent, see s. 75(1)(c)
- I2** S. 15 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, reg. 2(c)
- I3** S. 15 in force at 21.4.2017 for specified purposes by S.I. 2017/578, reg. 2
- I4** S. 15 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, reg. 4
- I5** S. 15 in force at 14.7.2017 for specified purposes by S.I. 2017/750, reg. 2(1)(2)(c)
- I6** S. 15 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, reg. 2
- I7** S. 15 in force at 15.1.2018 for specified purposes by S.I. 2018/27, reg. 2(1)(3)(4)
- I8** S. 15 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, reg. 2(2)(3)

16 Account providers

- (1) Childcare accounts may be provided by any of the following—
- (a) the Commissioners for Her Majesty's Revenue and Customs,
 - (b) a person or body with whom the Commissioners have entered into arrangements for the provision of childcare accounts, and
 - (c) if the Treasury so determine, the Director of Savings (“the Director”).
- (2) If the Director provides childcare accounts, the Director must in doing so act in accordance with any arrangements made between the Director and the Commissioners with respect to the provision of childcare accounts.
- (3) Arrangements made between the Commissioners and a person or body within paragraph (b) or (c) of subsection (1) may include provision for the making of payments by the Commissioners to the person or body in respect of the provision of childcare accounts (and accordingly nothing in section 15(8) or (9) affects the inclusion of such provision in the arrangements).
- (4) If the Commissioners provide childcare accounts—
- (a) any reference to the account provider paying an amount to HMRC from a childcare account, or to HMRC directing the account provider to do so, is to be read as a reference to HMRC deducting the amount from the account,

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- (b) any requirement for the account provider to notify HMRC of any matter, or for HMRC to notify the account provider of any matter, is to be disregarded, and
- (c) any requirement for the account provider to give anything to HMRC, or for HMRC to give anything to the account provider, is to be disregarded.

Commencement Information

I9 S. 16 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, reg. 2(c)

I10 S. 16 in force at 21.4.2017 in so far as not already in force by S.I. 2017/578, reg. 3(c)

17 Opening a childcare account

- (1) A person who wishes to receive top-up payments (the “applicant”) must make an application to HMRC to open a childcare account.
- (2) HMRC may grant the application only if—
 - (a) the applicant has made a valid declaration of eligibility,
 - (b) the child in respect of whom the account is to be held (“the relevant child”) is a qualifying child at the date of the application, and
 - (c) on the day on which the application is granted, there is no other person who holds an active childcare account in respect of the relevant child (see subsection (3)).
- (3) For the purposes of this Act a childcare account is “active” at any time if—
 - (a) qualifying payments may be made into the account at that time (see section 19), or
 - (b) such payments could, in the absence of section 19(4) (limit on amount of qualifying payments that may be made in entitlement period), be made into the account at that time.
- (4) Regulations may make further provision about opening a childcare account, including, in particular—
 - (a) provision about the making of applications to open a childcare account, including provision enabling HMRC to specify the form and manner in which such applications may be made;
 - (b) provision specifying, or enabling HMRC to specify, information which applicants must provide to specified persons or to persons of a specified description;
 - (c) provision specifying circumstances in which a person, or a person of a specified description, may make an application to open a childcare account on behalf of an applicant, including provision enabling HMRC to appoint a person for that purpose;
 - (d) provision requiring HMRC to provide specified information to specified persons or to persons of a specified description.
- (5) In subsection (4) “specified” means specified in the regulations.

Commencement Information

I11 S. 17 partly in force at Royal Assent; s. 17 in force for specified purposes at Royal Assent, see s. 75(1)(c)

Changes to legislation: There are currently no known outstanding effects for the Childcare Payments Act 2014, Cross Heading: Childcare accounts. (See end of Document for details)

- I12** S. 17 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, **reg. 2(c)**
- I13** S. 17 in force at 21.4.2017 for specified purposes by S.I. 2017/578, **reg. 2**
- I14** S. 17 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, **reg. 4**
- I15** S. 17 in force at 14.7.2017 for specified purposes by S.I. 2017/750, **reg. 2(1)(2)(d)**
- I16** S. 17 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, **reg. 2**
- I17** S. 17 in force at 15.1.2018 for specified purposes by S.I. 2018/27, **reg. 2(1)(3)(4)**
- I18** S. 17 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, **reg. 2(2)(3)**

18 Cases where there is more than one eligible person

- (1) If two or more persons have applied to open a childcare account in respect of the same child, HMRC may determine which of them (if any) may open a childcare account in respect of the child.
- (2) If—
 - (a) a person—
 - (i) has applied to open a childcare account in respect of a child, or
 - (ii) wishes to make a declaration of eligibility in relation to a childcare account held in respect of a child, and
 - (b) another person holds a childcare account in respect of the child,
 HMRC may determine which of them (if any) may hold an active childcare account in respect of the child (see section 17(3)).
- (3) For provision enabling HMRC to make an account restriction order to give effect to a determination under subsection (2), see section 24.

Commencement Information

- I19** S. 18 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, **reg. 2(c)**
- I20** S. 18 in force at 21.4.2017 for specified purposes by S.I. 2017/578, **reg. 2**
- I21** S. 18 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, **reg. 4**
- I22** S. 18 in force at 14.7.2017 for specified purposes by S.I. 2017/750, **reg. 2(1)(2)(d)**
- I23** S. 18 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, **reg. 2**
- I24** S. 18 in force at 15.1.2018 for specified purposes by S.I. 2018/27, **reg. 2(1)(3)(4)**
- I25** S. 18 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, **reg. 2(2)(3)**

19 Payments into childcare accounts

- (1) In this Act “qualifying payment” means any payment made into a childcare account, other than—
 - (a) a top-up payment, or
 - (b) a repayment of the whole or part of any payment made from the childcare account.

But for the purposes of paragraph (b) a withdrawal made by the account-holder is not to be regarded as a payment made from a childcare account.

- (2) Any person (including the account-holder) may make a qualifying payment into a childcare account during an entitlement period, provided that—

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- (a) the account-holder has made a valid declaration of eligibility for the entitlement period, and
- (b) the child in respect of whom the account is held is a qualifying child at the time of the payment.

This is subject to any provision made by or under this Act.

- (3) More than one qualifying payment may be made into a childcare account during an entitlement period.
- (4) But the sum of any qualifying payments made into a childcare account in an entitlement period must not exceed the relevant maximum for the entitlement period.
- (5) The relevant maximum for an entitlement period [^{F1}is—
 - (a) in the case of a disabled child, £4,000, and
 - (b) in the case of any other child, £2,000.]

This is subject to subsection (6).

- (6) Regulations may provide, or enable HMRC to provide, that in circumstances specified in the regulations the relevant maximum for an entitlement period is an amount—
 - (a) specified in, or determined in accordance with, the regulations, or
 - (b) determined by HMRC in accordance with powers conferred by the regulations.
- (7) Regulations may amend subsection (5) so as to substitute a different amount or amounts for any amount for the time being specified there.
- (8) For the purposes of subsection (4), any amount paid into a childcare account at any time during an entitlement period is to be disregarded if at a later time during the entitlement period an equivalent amount is withdrawn from the account by the account-holder.
- (9) The account provider must notify HMRC of any qualifying payments made into a childcare account.

[^{F2}(10) In subsection (5) “disabled child” is to be read in accordance with regulations made under section 14(1).]

Textual Amendments

- F1** Words in s. 19(5) substituted (1.6.2015) by [The Childcare Payments Act 2014 \(Amendment\) Regulations 2015 \(S.I. 2015/537\)](#), regs. 1, **2(2)**
- F2** S. 19(10) inserted (1.6.2015) by [The Childcare Payments Act 2014 \(Amendment\) Regulations 2015 \(S.I. 2015/537\)](#), regs. 1, **2(3)**

Commencement Information

- I26** S. 19 partly in force at Royal Assent; s. 19 in force for specified purposes at Royal Assent, see s. 75(1) (c)
- I27** S. 19 in force at 14.11.2016 for the purposes of the trial by [S.I. 2016/1083](#), **reg. 2(c)**
- I28** S. 19 in force at 21.4.2017 for specified purposes by [S.I. 2017/578](#), **reg. 2**
- I29** S. 19 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by [S.I. 2017/578](#), **reg. 4**
- I30** S. 19 in force at 14.7.2017 for specified purposes by [S.I. 2017/750](#), **reg. 2(1)(2)(d)**
- I31** S. 19 in force at 24.11.2017 for specified purposes by [S.I. 2017/1116](#), **reg. 2**

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- I32** S. 19 in force at 15.1.2018 for specified purposes by S.I. 2018/27, **reg. 2(1)(3)(4)**
I33 S. 19 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, **reg. 2(2)(3)**

20 Payments that may be made from childcare accounts

- (1) The only payments which the account-holder may authorise to be made from a childcare account are—
 - (a) payments in respect of qualifying childcare for the relevant child, and
 - (b) withdrawals made by the account-holder.
- (2) In this section “the relevant child”, in relation to a childcare account, means the child in respect of whom the account is held.
- (3) A payment within subsection (1) is referred to in this Act as a permitted payment.
- (4) A payment made from a childcare account which—
 - (a) is not a permitted payment, and
 - (b) is not made by the account provider to HMRC under this Act,
 is referred to in this Act as a prohibited payment.
- (5) Permitted payments may be made from a childcare account in an entitlement period whether or not the account-holder has made a valid declaration of eligibility for the entitlement period.
- (6) Where—
 - (a) a payment is made from a childcare account, and
 - (b) only part of the payment is in respect of qualifying childcare for the relevant child,
 so much of the payment as is properly attributable to the costs of qualifying childcare for the relevant child is to be treated as a permitted payment, and the remainder is to be treated as a prohibited payment.
- (7) Regulations may make provision for determining, for the purposes of subsection (6), how much of a payment is properly attributable to the costs of qualifying childcare for the relevant child.
- (8) For the meaning of “qualifying childcare”, see section 2.

Commencement Information

- I34** S. 20 partly in force at Royal Assent; s. 20 in force for specified purposes at Royal Assent, see s. 75(1)(c)
- I35** S. 20 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, **reg. 2(c)**
- I36** S. 20 in force at 21.4.2017 for specified purposes by S.I. 2017/578, **reg. 2**
- I37** S. 20 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, **reg. 4**
- I38** S. 20 in force at 14.7.2017 for specified purposes by S.I. 2017/750, **reg. 2(1)(2)(d)**
- I39** S. 20 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, **reg. 2**
- I40** S. 20 in force at 15.1.2018 for specified purposes by S.I. 2018/27, **reg. 2(1)(3)(4)**
- I41** S. 20 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, **reg. 2(2)(3)**

Changes to legislation: There are currently no known outstanding effects for the Childcare Payments Act 2014, Cross Heading: Childcare accounts. (See end of Document for details)

21 Calculating the top-up element of payments etc

- (1) For the purposes of this Act the “top-up element” of any amount is an amount equal to the relevant percentage of that amount.
- (2) The “relevant percentage” is the percentage given by—

$$\frac{R}{100 + R} \times 100$$

where R is the percentage for the time being specified in section 1(4).

Commencement Information

- I42 S. 21 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, reg. 2(c)
- I43 S. 21 in force at 21.4.2017 for specified purposes by S.I. 2017/578, reg. 2
- I44 S. 21 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, reg. 4
- I45 S. 21 in force at 14.7.2017 for specified purposes by S.I. 2017/750, reg. 2(1)(2)(d)
- I46 S. 21 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, reg. 2
- I47 S. 21 in force at 15.1.2018 for specified purposes by S.I. 2018/27, reg. 2(1)(3)(4)
- I48 S. 21 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, reg. 2(2)(3)

22 Withdrawals

- (1) Where the account-holder makes a withdrawal from a childcare account, the account provider must pay the corresponding top-up amount to HMRC from the childcare account.
- (2) The “corresponding top-up amount”, in relation to a withdrawal, is R% of the amount of the withdrawal, where R is the percentage for the time being specified in section 1(4).
- (3) Accordingly, the maximum amount that may be withdrawn from a childcare account at any time is the relevant percentage of the total amount of funds held in the account at that time.
- (4) The “relevant percentage” is the percentage given by—

$$\frac{100}{100 + R} \times 100$$

where R is the percentage for the time being specified in section 1(4).

Changes to legislation: There are currently no known outstanding effects for the Childcare Payments Act 2014, Cross Heading: Childcare accounts. (See end of Document for details)

- (5) A withdrawal may not be made from a childcare account at any time when a top-up payment is payable into the account.

Commencement Information

- I49** S. 22 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, **reg. 2(c)**
I50 S. 22 in force at 21.4.2017 for specified purposes by S.I. 2017/578, **reg. 2**
I51 S. 22 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, **reg. 4**
I52 S. 22 in force at 14.7.2017 for specified purposes by S.I. 2017/750, **reg. 2(1)(2)(d)**
I53 S. 22 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, **reg. 2**
I54 S. 22 in force at 15.1.2018 for specified purposes by S.I. 2018/27, **reg. 2(1)(3)(4)**
I55 S. 22 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, **reg. 2(2)(3)**

23 Refunds of payments made from childcare accounts

- (1) Where—
- (a) a payment is made to a person from a childcare account, and
 - (b) the whole or part of the payment is repayable by that person to the account-holder,
- so much of the payment as is repayable must be repaid by that person into the childcare account.
- (2) Where—
- (a) a payment made to a person consists of an amount paid from a childcare account and an amount that is not paid from the childcare account, and
 - (b) the whole or part of the payment (“the repayable amount”) is repayable by that person to the account-holder,
- so much of the repayable amount as exceeds the amount not paid from the childcare account must be repaid by that person into the childcare account.
- (3) In a case where—
- (a) a person would (in the absence of this subsection) be required by subsection (1) or (2) to repay an amount (“the repayable amount”) into a childcare account, but
 - (b) the childcare account has been closed,
- the person must pay the repayable amount to the person or body who was the account provider in relation to the account (“the relevant account provider”).
- (4) The relevant account provider must—
- (a) pay the top-up element of the repayable amount to HMRC, and
 - (b) pay the remainder of that amount to the person who held the childcare account.
- (For provision about calculating the top-up element of an amount, see section 21.)

Commencement Information

- I56** S. 23 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, **reg. 2(c)**
I57 S. 23 in force at 21.4.2017 for specified purposes by S.I. 2017/578, **reg. 2**

Changes to legislation: There are currently no known outstanding effects for the Childcare Payments Act 2014, Cross Heading: Childcare accounts. (See end of Document for details)

- I58** S. 23 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by [S.I. 2017/578, reg. 4](#)
- I59** S. 23 in force at 14.7.2017 for specified purposes by [S.I. 2017/750, reg. 2\(1\)\(2\)\(d\)](#)
- I60** S. 23 in force at 24.11.2017 for specified purposes by [S.I. 2017/1116, reg. 2](#)
- I61** S. 23 in force at 15.1.2018 for specified purposes by [S.I. 2018/27, reg. 2\(1\)\(3\)\(4\)](#)
- I62** S. 23 in force at 14.2.2018 in so far as not already in force by [S.I. 2018/27, reg. 2\(2\)\(3\)](#)

24 Imposing restrictions on childcare accounts

- (1) If such conditions as may be specified in regulations are met, HMRC may make an account restriction order.
- (2) An “account restriction order” is an order imposing any of the following restrictions in relation to a childcare account specified in the order—
 - (a) a restriction that prevents the making of any qualifying payments into the childcare account;
 - (b) a restriction that prevents the making of any payments from the childcare account in respect of qualifying childcare.
- (3) Regulations may, in particular, provide that HMRC may make an account restriction order where—
 - (a) a person wishes—
 - (i) to open a childcare account in respect of a child, or
 - (ii) to make a declaration of eligibility in relation to a childcare account held in respect of a child, and
 - (b) another person holds a childcare account in respect of the child.
- (4) Regulations may make further provision about account restriction orders, including, in particular—
 - (a) provision about the procedure for making an account restriction order;
 - (b) provision enabling an account restriction order to impose a restriction for a period specified in the order (which may be unlimited);
 - (c) provision enabling an account restriction order to provide that a restriction does not apply in such cases as may be specified in the order;
 - (d) provision enabling a person who wishes to open a childcare account or make a declaration of eligibility to apply to HMRC for an account restriction order to be made in relation to another person who holds a childcare account;
 - (e) provision enabling an account restriction order to be revoked, including provision for the account-holder to apply for its revocation;
 - (f) provision specifying the circumstances in which such an application may be granted.
- (5) If an account restriction order is made in relation to a childcare account—
 - (a) HMRC must give a copy of the order to the account-holder and to the account provider, and
 - (b) the account provider must comply with the order.

Commencement Information

- I63** S. 24 partly in force at Royal Assent; s. 24 in force for specified purposes at Royal Assent, see [s. 75\(1\)\(c\)](#)

Changes to legislation: There are currently no known outstanding effects for the Childcare Payments Act 2014, Cross Heading: Childcare accounts. (See end of Document for details)

- I64** S. 24 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, **reg. 2(c)**
- I65** S. 24 in force at 21.4.2017 for specified purposes by S.I. 2017/578, **reg. 2**
- I66** S. 24 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, **reg. 4**
- I67** S. 24 in force at 14.7.2017 for specified purposes by S.I. 2017/750, **reg. 2(1)(2)(d)**
- I68** S. 24 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, **reg. 2**
- I69** S. 24 in force at 15.1.2018 for specified purposes by S.I. 2018/27, **reg. 2(1)(3)(4)**
- I70** S. 24 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, **reg. 2(2)(3)**

25 Closure of childcare accounts

- (1) Regulations may make provision about closing childcare accounts.
- (2) The provision that may be made by regulations under this section includes, in particular—
 - (a) provision requiring a childcare account to be closed in specified circumstances or if specified conditions are met;
 - (b) provision about what is to happen to any funds held in a childcare account when it is closed;
 - (c) provision for the repayment to HMRC of a proportion of any such funds, calculated in accordance with the regulations.
- (3) In subsection (2) “specified” means specified in the regulations.

Commencement Information

- I71** S. 25 partly in force at Royal Assent; s. 25 in force for specified purposes at Royal Assent, see s. 75(1)(c)
- I72** S. 25 in force at 14.11.2016 for the purposes of the trial by S.I. 2016/1083, **reg. 2(c)**
- I73** S. 25 in force at 21.4.2017 for specified purposes by S.I. 2017/578, **reg. 2**
- I74** S. 25 in force at 16.5.2017 so far as not already in force in respect of those recruited to participate in the trial by S.I. 2017/578, **reg. 4**
- I75** S. 25 in force at 14.7.2017 for specified purposes by S.I. 2017/750, **reg. 2(1)(2)(d)**
- I76** S. 25 in force at 24.11.2017 for specified purposes by S.I. 2017/1116, **reg. 2**
- I77** S. 25 in force at 15.1.2018 for specified purposes by S.I. 2018/27, **reg. 2(1)(3)(4)**
- I78** S. 25 in force at 14.2.2018 in so far as not already in force by S.I. 2018/27, **reg. 2(2)(3)**

Changes to legislation:

There are currently no known outstanding effects for the Childcare Payments Act 2014, Cross
Heading: Childcare accounts.