



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 4

#### EMPLOYMENT INCOME: EXEMPTIONS

#### CHAPTER 11

#### MISCELLANEOUS EXEMPTIONS

#### *Childcare*

#### **[<sup>F1</sup>318 Childcare: exemption for employer-provided care**

- (1) [<sup>F2</sup>No liability to income tax arises] in respect of the provision for an employee of care for a child if conditions A to D are met.

For the meaning of “care” and “child”, see section 318B.

- (2) If those conditions are met only as respects part of the provision, no such liability arises in respect of that part.
- (3) Condition A is that the child—
- is a child or stepchild of the employee and is maintained (wholly or partly) at the employee’s expense,
  - is resident with the employee, or
  - is a person in respect of whom the employee has parental responsibility.

For the meaning of “parental responsibility”, see section 318B.

- (4) Condition B is that—

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- (a) the premises on which the care is provided are not used wholly or mainly as a private dwelling, and
  - (b) any applicable registration requirement is met.
- (5) The registration requirements are—
- [<sup>F3</sup>(za) in England, that under <sup>F4</sup>... Part 3 of the Childcare Act 2006;]
  - (a) in <sup>F5</sup>... Wales, that under [<sup>F6</sup>Part 2 of the Children and Families (Wales) Measure 2010];
  - (b) in Scotland, that under [<sup>F7</sup>Part 5 of the Public Services Reform (Scotland) Act 2010] ;
  - (c) in Northern Ireland, that under Part XI of the Children (Northern Ireland) Order 1995.
- (6) Condition C is that—
- (a) the premises on which the care is provided are made available by the scheme employer alone, or
  - (b) the partnership requirements are met.
- In this section “scheme employer” means the employer operating the scheme under which the care is provided (who need not be the employer of the employee).
- (7) The partnership requirements are—
- (a) that the care is provided under arrangements made by persons who include the scheme employer,
  - (b) that the premises on which it is provided are made available by one or more of those persons, and
  - (c) that under the arrangements the scheme employer is wholly or partly responsible for financing and managing the provision of the care.
- (8) Condition D is that the care is provided under a scheme that is open—
- (a) to the scheme employer’s employees generally, or
  - (b) generally to those of the scheme employer’s employees at a particular location,

and that the employee to whom it is provided is either an employee of the scheme employer or is an employee working at the same location as employees of the scheme employer to whom the scheme is open.]

#### Textual Amendments

- F1** Ss. 318-318D substituted for s. 318 (with effect in accordance with s. 78(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 13 para. 1**
- F2** Words in s. 318(1) substituted (with effect in accordance with s. 16(7) of the amending Act) by [Finance Act 2005 \(c. 7\)](#), **s. 16(5)**
- F3** S. 318(5)(za) inserted (1.9.2008) by [The Income Tax \(Qualifying Child Care\) Regulations 2008 \(S.I. 2008/2170\)](#), regs. 1, **2(a)**
- F4** Words in s. 318(5)(za) omitted (18.7.2009) by virtue of [The Income Tax \(Qualifying Child Care\) Regulations 2009 \(S.I. 2009/1544\)](#), regs. 1(2), **2**
- F5** Words in s. 318(5)(a) omitted (1.9.2008) by virtue of [The Income Tax \(Qualifying Child Care\) Regulations 2008 \(S.I. 2008/2170\)](#), regs. 1, **2(b)**
- F6** Words in s. 318(5)(a) substituted (6.4.2011) by [The Income Tax \(Qualifying Child Care\) Regulations 2011 \(S.I. 2011/775\)](#), regs. 1, **2**

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**F7** Words in s. 318(5)(b) substituted (28.10.2011) by [The Public Services Reform \(Scotland\) Act 2010 \(Consequential Modifications of Enactments\) Order 2011 \(S.I. 2011/2581\)](#), art. 1(2)(b), [Sch. 2 para. 6\(a\)](#)

### [<sup>F1</sup>318A Childcare: limited exemption for other care

- (1) If conditions A to [<sup>F8</sup>D] are met in relation to the provision for an employee of care for a [<sup>F9</sup>child—
- (a) no liability to income tax arises by virtue of section 62 (general definition of earnings), and
  - (b) liability to income tax by virtue of Chapter 10 of Part 3 (taxable benefits: residual liability to charge) arises only in respect of so much of the cash equivalent of the benefit as exceeds the exempt amount.]

For the meaning of “care” and “child”, see section 318B.

- (2) If those conditions are met only as respects part of the provision, subsection (1) applies in respect of that part.

- (3) Condition A is that the child—

- (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.

For the meaning of “parental responsibility”, see section 318B.

- (4) Condition B is that the care is qualifying child care.

For the meaning of “qualifying child care”, see section 318C.

- (5) Condition C is that the care is provided under a scheme that is open—

- (a) to the employer’s employees generally, or
- (b) generally to those at a particular location.

[ Where the scheme under which the care is provided involves—

- <sup>F10</sup>(5A) (a) relevant salary sacrifice arrangements, or  
(b) relevant flexible remuneration arrangements,

Condition C is not prevented from being met by reason only that the scheme is not open to relevant low-paid employees.

- (5B) In subsection (5A)—

“relevant salary sacrifice arrangements” means arrangements (whenever made) under which the employees for whom the care is provided give up the right to receive an amount of general earnings or specific employment income in return for the provision of the care;

“relevant flexible remuneration arrangements” means arrangements (whenever made) under which the employees for whom the care is provided agree with the employer that they are to be provided with the care rather than receive some other description of employment income;

“relevant low-paid employees” means any of the employer’s employees who are remunerated by the employer at a rate such that, if the relevant salary sacrifice arrangements or relevant flexible remuneration arrangements

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applied to them, the rate at which they would then be so remunerated would be likely to be lower than the national minimum wage.]

[ Condition D is that the employer has, at the required time, made an estimate of the <sup>F11</sup>(5C) employee's relevant earnings amount for the tax year in respect of which the care is provided (see section 318AA).]

(6) For the purposes of this section the “exempt amount”, in any tax year, is [<sup>F12</sup>the appropriate amount] for each qualifying week in that year.

[ In subsection (6) “the appropriate amount”, in the case of an employee, means—

<sup>F13</sup>(6A) (a) if the relevant earnings amount in the case of the employee for the tax year, as estimated in accordance with subsection (5C), exceeds the higher rate limit for the tax year, [<sup>F14</sup>£25] ,

(b) if the relevant earnings amount in the case of the employee for the tax year, as so estimated, exceeds the basic rate limit for the tax year but does not exceed the higher rate limit for the tax year, £28, and

(c) otherwise, £55.]

(7) A “qualifying week” means a tax week in which care is provided for a child in circumstances in which conditions A to C are met.

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.

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 270A (limited exemption for childcare vouchers) in respect of the same tax week.]

#### Textual Amendments

- F1** Ss. 318-318D substituted for s. 318 (with effect in accordance with s. 78(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 13 para. 1](#)
- F8** Word in s. 318A(1) substituted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 8 para. 4\(2\)](#)
- F9** Words in s. 318A(1) substituted (with effect in accordance with s. 16(7) of the amending Act) by [Finance Act 2005 \(c. 7\)](#), [s. 16\(6\)](#)
- F10** S. 318A(5A)(5B) inserted (with effect in accordance with s. 36(3) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [s. 36\(2\)](#)
- F11** S. 318A(5C) inserted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 8 para. 4\(3\)](#)
- F12** Words in s. 318A(6) substituted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 8 para. 4\(4\)](#)
- F13** S. 318A(6A) inserted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 8 para. 4\(5\)](#)

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**F14** Word in s. 318A(6A)(a) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax \(Exempt Amount for Childcare Vouchers and for Employer Contracted Childcare\) Order 2013 \(S.I. 2013/513\)](#), arts. 1(2), **2(3)**

### [<sup>F15</sup>318A Meaning of “relevant earnings amount” and “required time”

(1) For the purposes of section 318A, “relevant earnings amount”, in the case of an employee provided with care by an employer for any qualifying week in a tax year, means—

- (a) the aggregate of—
  - (i) the amount of any relevant earnings for the tax year from employment by the employer, and
  - (ii) any amounts treated under Chapters 2 to 12 of Part 3 as earnings from such employment, less
- (b) the aggregate of any excluded amounts.

(2) But if the employee becomes employed by the employer during the tax year, what would otherwise be the amount of the aggregate mentioned in subsection (1)(a) is the relevant multiple of that amount; and the relevant multiple is—

365 RD

where RD is the number of days in the period beginning with the day on which the employee becomes employed by the employer and ending with the tax year.

(3) In subsection (1)—

- “relevant earnings” has the same meaning as in subsection (1)(a) of section 270B (see subsection (3) of that section), and
- “excluded amounts” has the same meaning as in subsection (1)(b) of section 270B (see subsection (4) of that section).

(4) In section 318A “the required time”, in the case of an employee, means—

- (a) if the employee joins the scheme under which the care is provided at a time during the tax year, that time, and
- (b) otherwise, the beginning of the tax year.

(5) For the purposes of subsection (5)(a) the employee is taken to join the scheme as soon as—

- (a) the employer has agreed that care will be provided under the scheme for the employee, and
- (b) there is a child falling within section 318A(3)(a) or (b) in relation to the employee.

(6) The Treasury may by order amend this section.]

#### Textual Amendments

**F15** S. 318AA inserted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 8 para. 5](#)

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### **[<sup>F1</sup>318B Childcare: meaning of “care”, “child” and “parental responsibility”**

- (1) For the purposes of sections 318 and 318A (exemptions for employer-provided or employer-contracted childcare) “care” means any form of care or supervised activity that is not provided in the course of the child’s compulsory education.
- (2) For the purposes of those sections a person is a “child” until the last day of the week in which falls the 1st September following the child’s fifteenth birthday (or sixteenth birthday if the child is disabled).
- (3) For the purposes of subsection (2) a child is disabled if—
  - (a) a disability living allowance [<sup>F16</sup>or personal independence payment] is payable in respect of him, or has ceased to be payable solely because he is a patient,
  - <sup>F17</sup>(b) he is certified as severely sight impaired or blind by a consultant ophthalmologist, or]
  - (c) he ceased to be [<sup>F18</sup>certified as severely sight impaired or blind by a consultant ophthalmologist] within the previous 28 weeks.
- (4) In subsection (3)(a) “patient” means a person (other than a person who is serving a sentence imposed by a court in a prison or youth custody institution or, in Scotland, a young offenders' institution) who is regarded as receiving free in-patient treatment within the meaning of the Social Security (Hospital In-Patients) Regulations 1975 or the Social Security (Hospital In-Patients) Regulations (Northern Ireland) 1975.
- (5) For the purposes of sections 318 and 318A “parental responsibility” means all the rights, duties, powers, responsibilities and authority which by law a parent of a child has in relation to the child and the child’s property.
- (6) In this section and section 318C “local authority” means—
  - (a) in relation to England, the council of a county or district, a metropolitan district, a London Borough, the Common Council of the City of London or the Council of the Isles of Scilly;
  - (b) in relation to Wales, the council of a county or county borough;
  - (c) in relation to Scotland, a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994.]

#### **Textual Amendments**

- F1** Ss. 318-318D substituted for s. 318 (with effect in accordance with s. 78(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 13 para. 1](#)
- F16** Words in s. 318B(3)(a) inserted (with effect in accordance with s. 12(2) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [s. 12\(1\)](#)
- F17** S. 318B(3)(b) substituted (1.4.2015) by [The Income Tax \(Qualifying Child Care\) Regulations 2015 \(S.I. 2015/346\)](#), [regs. 1, 2\(2\)\(a\)](#)
- F18** Words in s. 318B(3)(c) substituted (1.4.2015) by [The Income Tax \(Qualifying Child Care\) Regulations 2015 \(S.I. 2015/346\)](#), [regs. 1, 2\(2\)\(b\)](#)

### **[<sup>F1</sup>318C Childcare: meaning of “qualifying child care”**

- (1) For the purposes of section 318A “qualifying child care” means registered or approved care within any of subsections (2) to (6) below that is not excluded by subsection (7) below.

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(2) Care provided for a child in England is registered or approved care if it is provided—

<sup>F19</sup>(a) .....

<sup>F20</sup>(b) .....

[ by a person registered under Part 3 of the Childcare Act 2006,]

<sup>F21</sup>(ba)

[<sup>F22</sup>(c) by or under the direction of the proprietor of a school on the school premises (subject to subsection (2B)),][<sup>F23</sup>or]

<sup>F24</sup>(d) .....

<sup>F25</sup>(e) .....

<sup>F26</sup>  
...

<sup>F27</sup>(ea) .....

<sup>F28</sup>(eb) .....

(f) by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002, and

<sup>F29</sup>(g) .....

[ In subsection (2)(c)—

<sup>F30</sup>(2A) “proprietor”, in relation to a school, means—

(a) the governing body incorporated under section 19 of the Education Act 2002, or

(b) if there is no such body, the person or body of persons responsible for the management of the school;

“school” means a school that Her Majesty’s Chief Inspector of Education, Children’s Services and Skills (the “Chief Inspector”) is or may be required to inspect;

“school premises” means premises that may be inspected as part of an inspection of the school by the Chief Inspector.

(2B) Care provided for a child in England is not registered or approved care under subsection (2)(c) if—

(a) it is provided during school hours for a child who has reached compulsory school age, or

(b) it is provided in breach of a requirement to register under Part 3 of the Childcare Act 2006.]

(3) Care provided for a child in Wales is registered or approved care if it is provided—

(a) by a person registered under [<sup>F31</sup>Part 2 of the Children and Families (Wales) Measure 2010],

[<sup>F32</sup>(b) by a person in circumstances where, but for article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010, the care would be day care for the purposes of Part 2 of the Children and Families (Wales) Measure 2010,]

(c) in the case of care provided for a child out of school hours <sup>F33</sup>..., by a school on school premises or by a local authority, <sup>F34</sup>...

(d) by a child care provider approved by an organisation accredited under the Tax Credit (New Category of Child Care Provider) Regulations 1999 <sup>F34</sup>[<sup>F35</sup>...

(e) by a domiciliary care worker under the Domiciliary Care Agencies (Wales) Regulations 2004,]<sup>F36</sup>...

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- [<sup>F37</sup>(f) by a child care provider approved under the Tax Credits (Approval of Child Care Providers) (Wales) Scheme 2007.]
- [<sup>F38</sup>(g) by a foster parent in relation to a child (other than one whom the foster parent is fostering) in circumstances where, but for the fact that the child is too old, the care would be—
- (i) child minding, or day care, for the purposes of Part 2 of the Children and Families (Wales) Measure 2010, or
  - (ii) qualifying child care for the purposes of the Tax Credits (Approval of Child Care Providers) (Wales) Scheme 2007.]
- (4) Care provided for a child in Scotland is registered or approved care if it is provided—
- (a) by a person in circumstances where the care service provided by him—
    - (i) consists of child minding or of day care of children [<sup>F39</sup>as defined by paragraphs 12 and 13 respectively of schedule 12 to the Public Services Reform (Scotland) Act 2010] , and
    - (ii) is registered under [<sup>F40</sup>Chapter 3 of Part 5] of that Act <sup>F41</sup>... [<sup>F42</sup>or]
  - (b) by a local authority in circumstances where the care service provided by the local authority—
    - (i) consists of child minding or of day care of children [<sup>F43</sup>as defined by paragraphs 12 and 13 respectively of schedule 12 to the Public Services Reform (Scotland) Act 2010] , and
    - (ii) is registered under [<sup>F44</sup>Chapter 4 of Part 5] of that Act, <sup>F45</sup>...
  - <sup>F45</sup>(c) .....
- (5) Care provided for a child in Northern Ireland is registered or approved care if it is provided—
- (a) by a person registered under Part XI of the Children (Northern Ireland) Order 1995, or
  - (b) by an institution or establishment that does not need to be registered under that Part to provide the care because of an exemption under Article 121 of that Order, <sup>F46</sup>...
  - (c) in the case of care provided for a child out of school hours <sup>F47</sup>..., by a school on school premises or by an education and library board or an HSS trust.
  - <sup>F48</sup>(d) .....
  - [<sup>F49</sup>(e) by a home child care provider approved in accordance with the Tax Credits (Approval of Home Child Care Providers) Scheme (Northern Ireland) 2006][<sup>F50</sup>, or
  - (f) by a foster parent in relation to a child (other than one whom the foster parent is fostering) in circumstances where, but for the fact that the child is too old, the care would be—
    - (i) child minding, or day care, for the purposes of Part XI of the Children (Northern Ireland) Order 1995, or
    - (ii) qualifying child care for the purposes of the Tax Credits (Approval of Home Child Care Providers) Scheme (Northern Ireland) 2006.]
- (6) Care provided for a child outside the United Kingdom is registered or approved child care if it is provided by a child care provider approved by an organisation accredited under the Tax Credit (New Category of Child Care Provider) Regulations 2002.
- (7) Child care is excluded from section 318A—
- (a) if it is provided by the partner of the employee in question, <sup>F51</sup>...



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- (b) if it is provided by a relative of the child wholly or mainly in the child’s home or (if different) the home of a person having parental responsibility for the child<sup>F52, F53</sup> ...
  - (c) in the case of care falling within subsection <sup>F54</sup> ... [<sup>F55</sup>(3)(f)], if—
    - (i) it is provided wholly or mainly in the home of a relative of the child, and
    - (ii) the provider usually provides care there solely in respect of one or more children to whom the provider is a relative<sup>F56</sup>, or
  - (d) if it is provided by a foster parent<sup>F57, F58</sup> ... in respect of a child whom that person is fostering <sup>F58</sup> ... ]].
- (8) In subsection (7)—
- “partner” means one of a <sup>F59</sup>couple (within the meaning given by section 137(1) of SSCBA 1992 or section 133(1) of SSCB(NI)A 1992)]; and
- “relative” means parent, grandparent, aunt, uncle, brother or sister, whether by blood, half blood or marriage [<sup>F60</sup>or civil partnership].
- [ In subsection (7)(c), “relative in relation to a child, also includes—
- <sup>F61</sup>(9) (a) a local authority foster parent in relation to the child,
- (b) a foster parent with whom the child has been placed by a voluntary organisation,
- (c) a person who fosters the child privately (within the meaning of section 66 of the Children Act 1989, or
- (d) a step-parent of the child.].
- [ In this section “foster parent” in relation to a child—
- <sup>F62</sup>(10) (a) in relation to England, means a person with whom the child is placed under the Fostering Services Regulations 2002;
- (b) in relation to Wales, means a person with whom the child is placed under the Fostering Services (Wales) Regulations 2003; and
- (c) in relation to Northern Ireland, means a person with whom the child is placed under the Foster Placement (Children) Regulations (Northern Ireland) 1996.
- <sup>F63</sup>(11) . . . . . ]]

Textual Amendments	
<b>F1</b>	Ss. 318-318D substituted for s. 318 (with effect in accordance with s. 78(2) of the amending Act) by <a href="#">Finance Act 2004 (c. 12), Sch. 13 para. 1</a>
<b>F19</b>	S. 318C(2)(a) omitted (18.7.2009) by virtue of <a href="#">The Income Tax (Qualifying Child Care) Regulations 2009 (S.I. 2009/1544), regs. 1(2), 3(2)(a)</a>
<b>F20</b>	S. 318C(2)(b) omitted (1.9.2008) by virtue of <a href="#">The Income Tax (Qualifying Child Care) Regulations 2008 (S.I. 2008/2170), regs. 1, 3(2)(a)</a>
<b>F21</b>	S. 318C(2)(ba) inserted (1.9.2008) by <a href="#">The Income Tax (Qualifying Child Care) Regulations 2008 (S.I. 2008/2170), regs. 1, 3(2)(b)</a>
<b>F22</b>	S. 318C(2)(c) substituted (1.9.2008) by <a href="#">The Income Tax (Qualifying Child Care) Regulations 2008 (S.I. 2008/2170), regs. 1, 3(2)(c)</a>
<b>F23</b>	Word in s. 318C(2)(c) inserted (18.7.2009) by <a href="#">The Income Tax (Qualifying Child Care) Regulations 2009 (S.I. 2009/1544), regs. 1(2), 3(2)(b)</a>
<b>F24</b>	S. 318C(2)(d) omitted (1.10.2007) by virtue of <a href="#">The Income Tax (Qualifying Child Care) (No. 2) Regulations 2007 (S.I. 2007/2478), regs. 1, 2</a>

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- F25** S. 318C(2)(e) omitted (with effect in accordance with reg. 1(2) of the amending S.I.) by virtue of The Section 318C Income Tax (Earnings and Pensions) Act 2003 (Amendment) Regulations 2005 (S.I. 2005/770), regs. 1(1), **3(a)**
- F26** Word in s. 318C(2)(e) omitted (6.4.2007) by virtue of The Income Tax (Qualifying Child Care) Regulations 2007 (S.I. 2007/849), regs. 1, **2(2)(c)**
- F27** S. 318C(2)(ea) omitted (18.7.2009) by virtue of The Income Tax (Qualifying Child Care) Regulations 2009 (S.I. 2009/1544), regs. 1(2), **3(2)(a)**
- F28** S. 318C(2)(eb) and preceding word omitted (1.9.2008) by virtue of The Income Tax (Qualifying Child Care) Regulations 2008 (S.I. 2008/2170), regs. 1, **3(2)(d)**
- F29** S. 318C(2)(g) omitted (18.7.2009) by virtue of The Income Tax (Qualifying Child Care) Regulations 2009 (S.I. 2009/1544), regs. 1(2), **3(2)(a)**
- F30** S. 318C(2A)(2B) inserted (1.9.2008) by The Income Tax (Qualifying Child Care) Regulations 2008 (S.I. 2008/2170), regs. 1, **3(3)**
- F31** Words in s. 318C(3)(a) substituted (6.4.2011) by The Income Tax (Qualifying Child Care) Regulations 2011 (S.I. 2011/775), regs. 1, **3(2)(a)**
- F32** S. 318C(3)(b) substituted (6.4.2011) by The Income Tax (Qualifying Child Care) Regulations 2011 (S.I. 2011/775), regs. 1, **3(2)(b)**
- F33** Words in s. 318C(3)(c) omitted (6.4.2007) by virtue of The Income Tax (Qualifying Child Care) Regulations 2007 (S.I. 2007/849), regs. 1, **2(3)(a)**
- F34** Word in s. 318C(3)(c)(d) omitted (6.4.2007) by virtue of The Income Tax (Qualifying Child Care) Regulations 2007 (S.I. 2007/849), regs. 1, **2(3)(b)**
- F35** S. 318C(3)(e) and preceding word added (6.4.2005) by The Section 318C Income Tax (Earnings and Pensions) Act 2003 (Amendment) Regulations 2005 (S.I. 2005/770), regs. 1(1), **4**
- F36** Word in s. 318C(3) omitted (1.9.2008) by virtue of The Income Tax (Qualifying Child Care) Regulations 2008 (S.I. 2008/2170), regs. 1, **3(4)(a)**
- F37** S. 318C(3)(f) and preceding word inserted (6.4.2007) by The Income Tax (Qualifying Child Care) Regulations 2007 (S.I. 2007/849), regs. 1, **2(3)(c)**
- F38** S. 318C(3)(g) substituted (6.4.2011) by The Income Tax (Qualifying Child Care) Regulations 2011 (S.I. 2011/775), regs. 1, **3(2)(c)**
- F39** Words in s. 318C(4)(a)(i) substituted (28.10.2011) by The Public Services Reform (Scotland) Act 2010 (Consequential Modifications of Enactments) Order 2011 (S.I. 2011/2581), art. 1(2)(b), **Sch. 2 para. 6(b)(i)**
- F40** Words in s. 318C(4)(a)(ii) substituted (28.10.2011) by The Public Services Reform (Scotland) Act 2010 (Consequential Modifications of Enactments) Order 2011 (S.I. 2011/2581), art. 1(2)(b), **Sch. 2 para. 6(b)(ii)**
- F41** Word in s. 318C(4)(a) omitted (21.11.2009) by virtue of The Income Tax (Qualifying Child Care) (No. 2) Regulations 2009 (S.I. 2009/2888), regs. 1(2), **2(3)**
- F42** Word in s. 318C(4)(a) inserted (6.4.2011) by The Income Tax (Qualifying Child Care) Regulations 2011 (S.I. 2011/775), regs. 1, **3(3)(a)**
- F43** Words in s. 318C(4)(b)(i) substituted (28.10.2011) by The Public Services Reform (Scotland) Act 2010 (Consequential Modifications of Enactments) Order 2011 (S.I. 2011/2581), art. 1(2)(b), **Sch. 2 para. 6(b)(iii)**
- F44** Words in s. 318C(4)(b)(ii) substituted (28.10.2011) by The Public Services Reform (Scotland) Act 2010 (Consequential Modifications of Enactments) Order 2011 (S.I. 2011/2581), art. 1(2)(b), **Sch. 2 para. 6(b)(iv)**
- F45** S. 318C(4)(c) and preceding word omitted (6.4.2011) by virtue of The Income Tax (Qualifying Child Care) Regulations 2011 (S.I. 2011/775), regs. 1, **3(3)(b)**
- F46** Word in s. 318C(5)(b) omitted (21.11.2009) by virtue of The Income Tax (Qualifying Child Care) (No. 2) Regulations 2009 (S.I. 2009/2888), regs. 1(2), **2(4)**
- F47** Words in s. 318C(5)(c) omitted (6.4.2007) by virtue of The Income Tax (Qualifying Child Care) Regulations 2007 (S.I. 2007/849), regs. 1, **2(4)**
- F48** S. 318C(5)(d) and following word omitted (6.4.2011) by virtue of The Income Tax (Qualifying Child Care) Regulations 2011 (S.I. 2011/775), regs. 1, **3(4)(a)**

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- F49** S. 318C(5)(d)(e) inserted (21.11.2009) by [The Income Tax \(Qualifying Child Care\) \(No. 2\) Regulations 2009 \(S.I. 2009/2888\)](#), regs. 1(2), **2(4)**
- F50** S. 318C(5)(f) and preceding word inserted (6.4.2011) by [The Income Tax \(Qualifying Child Care\) Regulations 2011 \(S.I. 2011/775\)](#), regs. 1, **3(4)(b)**
- F51** Word in s. 318C(7)(a) omitted (6.4.2007) by virtue of [The Income Tax \(Qualifying Child Care\) Regulations 2007 \(S.I. 2007/849\)](#), regs. 1, **2(5)(a)**
- F52** S. 318C(7)(c) and preceding word added (6.4.2005) by [The Section 318C Income Tax \(Earnings and Pensions\) Act 2003 \(Amendment\) Regulations 2005 \(S.I. 2005/770\)](#), regs. 1(1), **5**
- F53** Word in s. 318C(7)(b) omitted (18.7.2009) by virtue of [The Income Tax \(Qualifying Child Care\) Regulations 2009 \(S.I. 2009/1544\)](#), regs. 1(2), **3(4)(a)**
- F54** Words in s. 318C(7)(c) omitted (18.7.2009) by virtue of [The Income Tax \(Qualifying Child Care\) Regulations 2009 \(S.I. 2009/1544\)](#), regs. 1(2), **3(4)(b)**
- F55** Words in s. 318C(7)(c) inserted (6.4.2007) by [The Income Tax \(Qualifying Child Care\) Regulations 2007 \(S.I. 2007/849\)](#), regs. 1, **2(5)(b)**
- F56** S. 318C(7)(d) and preceding word added (18.7.2009) by [The Income Tax \(Qualifying Child Care\) Regulations 2009 \(S.I. 2009/1544\)](#), regs. 1(2), **3(4)(c)**
- F57** Words in s. 318C(7)(d) substituted (21.11.2009) by [The Income Tax \(Qualifying Child Care\) \(No. 2\) Regulations 2009 \(S.I. 2009/2888\)](#), regs. 1(2), **2(5)**
- F58** Words in s. 318C(7)(d) omitted (6.4.2011) by virtue of [The Income Tax \(Qualifying Child Care\) Regulations 2011 \(S.I. 2011/775\)](#), regs. 1, **3(5)**
- F59** Words in s. 318C(8) substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **144(a)**
- F60** Words in s. 318C(8) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), regs. 1(1), **144(b)**
- F61** S. 318C(9) inserted (6.4.2005) by [The Section 318C Income Tax \(Earnings and Pensions\) Act 2003 \(Amendment\) Regulations 2005 \(S.I. 2005/770\)](#), regs. 1(1), **6**
- F62** S. 318C(10)(11) added (21.11.2009) by [The Income Tax \(Qualifying Child Care\) \(No. 2\) Regulations 2009 \(S.I. 2009/2888\)](#), regs. 1(2), **2(6)**
- F63** S. 318C(11) omitted (6.4.2011) by virtue of [The Income Tax \(Qualifying Child Care\) Regulations 2011 \(S.I. 2011/775\)](#), regs. 1, **3(6)**

### **[<sup>F1</sup>318D Childcare: power to vary [<sup>F64</sup>amounts which are the] exempt amount and qualifying conditions**

- (1) The Treasury may by order amend section [<sup>F65</sup>318A(6A)] (employer-contracted care: the [<sup>F66</sup>amounts which are the exempt amount] so as to substitute different sums of money for those] for the time being specified.
- (2) The Treasury may by regulations make such amendments of the provisions of sections 318 to 318C relating to the qualifying conditions for the exemptions conferred by sections 318 and 318A as appear to them appropriate having regard to the corresponding provisions of regulations under section 12 of the Tax Credits Act 2002 relating to entitlement to the child care element of working tax credit [<sup>F67</sup>or section 12 of the Welfare Reform Act 2012 relating to amounts in respect of childcare costs that may be included in the calculation of an award of universal credit] .]

#### **Textual Amendments**

- F1** Ss. 318-318D substituted for s. 318 (with effect in accordance with s. 78(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 13 para. 1](#)
- F64** Words in s. 318D heading inserted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 8 para. 6](#)

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- F65** Word in s. 318D(1) substituted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\), Sch. 8 para. 6\(a\)](#)
- F66** Words in s. 318D(1) substituted (with effect in accordance with Sch. 8 paras. 7-10 of the amending Act) by [Finance Act 2011 \(c. 11\), Sch. 8 para. 6\(b\)](#)
- F67** Words in s. 318D(2) inserted (29.4.2013) by [The Universal Credit \(Consequential, Supplementary, Incidental and Miscellaneous Provisions\) Regulations 2013 \(S.I. 2013/630\), regs. 1\(2\), 16\(2\)](#)

**Status:**

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**Changes to legislation:**

Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Childcare is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.