

---

**Changes to legislation:** Finance Act 2011, Cross Heading: Childcare vouchers is up to date with all changes known to be in force on or before 15 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. (See end of Document for details) View outstanding changes

---

## SCHEDULES

### SCHEDULE 8 **U.K.**

#### REDUCTION IN CHILDCARE RELIEF FOR HIGHER EARNERS

##### *Childcare vouchers*

- 2 (1) Section 270A (limited exemption for qualifying childcare vouchers) is amended as follows.
- (2) In subsection (2), for “C” substitute “ D ”.
- (3) After subsection (5B) (inserted by section 36) insert—
- “(5C) Condition D is that the employer has, at the required time, made an estimate of the employee's relevant earnings amount for the tax year in respect of which the voucher is provided (see section 270B).”
- (4) In paragraph (a) of subsection (6), for “£55” substitute “ the appropriate amount ”.
- (5) After that subsection insert—
- “(6ZA) In subsection (6)(a) “the appropriate amount”, in the case of an employee, means—
- (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, £22,
  - (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.”
- (6) In subsection (11)—
- (a) for “exempt amount” (in each place) substitute “ amounts ”,
  - (b) for “(6) above” substitute “ (6ZA) above ”, and
  - (c) for “318A(6)” substitute “ 318A(6A) ”.
- 3 After section 270A insert—

#### **“270B Meaning of “relevant earnings amount” and “required time”**

- (1) For the purposes of section 270A, the “relevant earnings amount”, in the case of an employee provided with vouchers 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

*Changes to legislation: Finance Act 2011, Cross Heading: Childcare vouchers is up to date with all changes known to be in force on or before 15 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. (See end of Document for details) View outstanding changes*

- (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—

$$\frac{365}{RD}$$

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)(a) “relevant earnings” means—
- (a) salary, wages or fees, and
  - (b) any other earnings specified in regulations made by the Treasury under this paragraph.
- (4) In subsection (1)(b) “excluded amounts” means amounts specified in regulations made by the Treasury under this subsection.
- (5) In section 270A “the required time”, in the case of an employee, means—
- (a) if the employee joins the scheme under which the vouchers are provided at a time during the tax year, that time, and
  - (b) otherwise, the beginning of the tax year.
- (6) For the purposes of subsection (5)(a) the employee is taken to join the scheme as soon as—
- (a) the employer has agreed that vouchers will be provided under the scheme for the employee, and
  - (b) there is a child falling within section 270A(3)(a) or (b) in relation to the employee.
- (7) The Treasury may by order amend this section.”

**Changes to legislation:**

Finance Act 2011, Cross Heading: Childcare vouchers is up to date with all changes known to be in force on or before 15 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.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 23 para. 45(1)(ia) inserted by [2017 c. 10 Sch. 11 para. 6\(3\)](#)
- Sch. 23 para. 2(1A) inserted by [S.I. 2019/397 reg. 2\(2\)](#) (This amendment not applied to [legislation.gvo.uk](#). Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)
- Sch. 23 para. 15A inserted by [S.I. 2019/397 reg. 2\(3\)](#) (This amendment not applied to [legislation.gvo.uk](#). Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)