

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend section 318C of the Income Tax (Earnings and Pensions) Act 2003 (which provides for an exemption from income tax for employee benefits in respect of certain employer-provided or employer-contracted child care).

The principal effects of these Regulations are (1) to extend the categories of child care providers whose care is covered by the exemption, to include providers approved under the Tax Credits (Approval of Child Care Providers) Scheme 2005 (S.I.2005/93) (regulation 3) while (2) where that extended meaning of provider applies, excluding care in a relative's home, provided by a relative of the child, where that person only provides care for children of relatives or for his or her own children (mirroring an exclusion under the Scheme) (regulations 5 and 6).

A Regulatory Impact Assessment has not been prepared for these Regulations as they impose no costs on business.