**March, 2016**

**A reminder of Changes to Working Tax Credits for childminders**

**Introduction**

HM Revenue and Customs announced important information that explains the rules for Self-employed people including many childminders who claim Working Tax Credits.

Some child minders who are in receipt of Working Tax Credits may already have received a letter explaining how the rules may affect any claims made.

**Eligibility**

To be eligible for Working Tax Credits you should be getting paid, or expect to get paid for the self-employed work you do in your profession.

**What is required of childminders to ensure rules are followed?**

* [Childminders must be working on a commercial basis](http://www.legislation.gov.uk/wsi/2010/2574/contents/made)
* [Your Childminding business must demonstrate your intentions of making a profit.](http://www.legislation.gov.uk/wsi/2010/2575/contents/made)
* This should be organised and regularly reviewed

**If you do not provide sufficient evidence you may not qualify, here are some examples for you to check if you are already meeting with the criteria set, with the consideration to whether you require additional evidence.**

* Are you already making a profit?
* How do you plan to make a profit?
* Childminders should develop and have sufficient business records available
* Childminders should have frequent work
* Childminders should follow any regulations set in line with their own region, for example: ensure appropriate insurance is taken.

**HM Revenue and Customs may request additional information to ensure Working Tax Credit claimants are eligible under the new rules**

**What childminders may need to do to prepare for these new rules?**

* + Show up to date records of any earnings and hours worked
  + Provide invoices for the work you have completed
  + Retain receipts for any expenses you have made, this could include any training, insurance, food, fuel, assistance, trips etc.
  + Provide a summary of orders or payments you have received
  + Business plans, how this was put in place. HMRC have provided a link to support you if you require information on Business Plans. [www.gov.uk/write-busiiness-plan](http://www.gov.uk/write-busiiness-plan)
  + How do you promote and market your childcare setting? Do you provide newsletters, blogs, use social media etc?
  + Consider how the childcare business is run on a daily basis?

**HMRC** have stated these changes **do not** affect any claims made for Child Tax Credits

**Childminders do not** need to contact HMRC, if they require any information regarding a child care setting they will contact you and give sufficient time to respond, however it is suggested that Childminders should think about what they can do to ensure business records are correct and complete in case they do need to check any claims.

*Source used:*

[*www.gov.uk/working-tax-credit/eligibility*](http://www.gov.uk/working-tax-credit/eligibility)

[*www.gov.uk/government/publications/revenue-and-customs-brief-7-2015-new-rules-for-the-self-employed-claiming-working-taxcredit/revenue-and-customs-brief-7-2015-new-rules-for-the-self-employed-claiming-working-tax-credit*](http://www.gov.uk/government/publications/revenue-and-customs-brief-7-2015-new-rules-for-the-self-employed-claiming-working-taxcredit/revenue-and-customs-brief-7-2015-new-rules-for-the-self-employed-claiming-working-tax-credit)

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