

Affordable Childcare Scheme

Childcare Support Bill

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December 2017

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Overview of the Affordable Childcare Scheme

1. What is the Affordable Childcare Scheme?

The Affordable Childcare Scheme is a new, national scheme of financial support for parents towards the cost of childcare. Once introduced, it will replace the existing targeted schemes with a single, streamlined and user-friendly scheme, providing both universal and targeted childcare subsidies.

2. What is the aim of the Affordable Childcare Scheme?

By providing financial support towards the cost of childcare, the scheme aims to:

- ✓ Improve access to quality childcare,
- ✓ Assist families to return to work and training,
- ✓ Improve outcomes for children and, through all of the above,
- ✓ Reduce child poverty.

3. Isn't the Affordable Childcare Scheme already in place?

On 11th April 2017, an announcement was made that the Affordable Childcare Scheme would not commence in September 2017 but that a range of measures would be introduced to make childcare more affordable for thousands of families throughout Ireland.

As a result of these measures (introduced in September 2017 and often referred to as the '**September measures**'), a new universal subsidy is now available for all children aged between 6 months and 3 years of age (or until they qualify for ECCE if later than 36 months) in registered childcare. This amounts to as much as €20 a week or €1,040 per year for children in full time childcare. In addition, targeted subsidies for families with lower incomes were increased by as much as 50%, rising from €95 to €145 per child per week for full-time childcare.

4. When will the scheme begin?

Development is currently underway on the legislative and technical infrastructure underpinning the new scheme. In the near future the Minister will announce a launch date for the full Affordable Childcare Scheme. Until such time as the new scheme commences, the existing childcare subvention schemes, including the enhanced measures introduced in September, will continue to be available.

5. Will this scheme replace ECCE?

No. The new scheme will provide a system from which both universal and targeted subsidies can be provided towards the cost of childcare. The Affordable Childcare Scheme will replace the existing targeted childcare programmes with a single, streamlined and more user-friendly scheme and is intended to provide “wraparound” care for pre-school and school-age children. The ECCE programme will remain in place.

6. Who will administer the Affordable Childcare Scheme?

Pobal will administer the scheme on behalf of the Department of Children and Youth Affairs (DCYA).

7. I am already receiving financial support for childcare from DCYA, can I keep receiving this?

Most families who are receiving DCYA support for childcare at the time the Affordable Childcare Scheme begins will receive financial support under the new Affordable Childcare Scheme that is equal to or greater than their current level of support. For families whose level of support will be lower under the Affordable Childcare Scheme, a transitional arrangement will allow such families to continue receiving their current support for a period of time.

Eligibility for the existing targeted schemes depends on receipt of a range of social welfare payments, possession of a Medical Card or GP Visit Card, or participation in one of a range of education or training courses, or labour market activation schemes. Eligibility for targeted subsidies under the Affordable Childcare Scheme, in contrast, will depend on a family’s income-level. While the income-thresholds for the Affordable Childcare Scheme have been designed to ensure a high degree of continuity for families currently receiving subsidies, it is inevitable that there will be some differences given the change in eligibility rules.

Applying for the Affordable Childcare Scheme

8. Who is eligible to receive support under the scheme?

The Affordable Childcare Scheme will be open to families who meet the scheme’s eligibility requirements, whose children (aged between 6 months and 15 years) attend a Tusla-registered

childcare service, and – in the case of children aged 3 and older – whose net income is less than €47,500. For children aged less than 3 (or 3 but not yet qualifying for the ECCE programme), the scheme will also provide financial support for families with net incomes above €47,500 (i.e. a universal subsidy will be provided). To meet the eligibility requirements for the scheme, the applicant or the applicant's partner must:

- Be a parent of the child, or be acting in loco parentis, and have care of the child for the period each week for which financial support is sought; and
- Meet the scheme's residency requirements. Anybody who is ordinarily and legally resident in the State will meet the residency requirements, as will any EU or EEA citizen.

9. Can I apply now?

No. A comprehensive public information campaign will take place for parents prior to the launch of the Affordable Childcare Scheme which will inform parents of the steps required to apply for the scheme.

10. How do I apply?

Parents will be able to apply for subsidies through an online application system. Through this website parents will create a personal account which they can use for all childcare subsidy applications.

11. The legislation only seems to talk about "parents" - will I be able to apply for support if I am a guardian?

Yes. A "parent" is defined in the Childcare Support Bill to include a person who is acting 'in loco parentis', which may include a legal guardian or a foster carer. You may also apply for support if your partner is a parent (or is acting 'in loco parentis') even if you are not. To be eligible for financial support in relation to a child, a parent (or the parent's partner) must have care of the child for the period of time each week for which financial support is sought.

Income Assessment and Award of Subsidies

12. How will my income be assessed?

The level of financial support provided will depend on net parental income. A new IT system will enable parents simply to enter their PPS numbers and be told the amount of financial support for which they qualify.

With your consent, the IT system will share your PPS number with the Revenue Commissioners and with the Department of Employment Affairs and Social Protection in order to determine automatically what your income-level is and any deductions that may apply to your income. If the information available in this way is incomplete or does not reflect your current situation, you will be able to provide additional information or request a manual assessment.

Your income will be assessed after deduction of income tax, PRSI, the Universal Social Charge and pension contributions. Maintenance payments that you make will also be deducted, as will certain benefits or grants that you receive.

In addition, an allowance will be deducted from your income if you have more than one child under the age of 15.

13. Will decisions on my subsidy be made purely by an automated IT system?

To ensure applications are assessed quickly, the application system will, generally speaking, be automated. However, if the information available in this way is incomplete or does not reflect your current situation, you will be able to provide additional information. Furthermore, if you are unhappy with the decision made by the automated IT system, you will be able to seek a review in which the decision will be re-examined by an assessment officer working for Pobal (the scheme administrator).

14. Will the income-assessment take into account my savings or investments?

The income-assessment will look at income you receive, not at your capital or property. It will take into account interest you earn on your savings and any dividends you receive on investments, but it will not take into account the sums of money you have in bank accounts or the value of any investments you have.

15. Does the scheme discriminate against married couples and favour cohabiting couples?

No. The income-assessment will be based on the combined income of an applicant and an applicant's partner, regardless of whether they are married, civil partners or cohabiting.

16. What is the most I can earn and still receive a subsidy?

The upper limit for the targeted (means tested) subsidy will be €47,500 net income per annum. The scheme is designed to be flexible so that this income-limit can be adjusted in line with future levels of State investment in childcare in Ireland.

If you earn in excess of this net income limit, you may be eligible for a universal payment of up to €20 per week if your child is less than 3 years old (or is 3 but has not yet reached the qualifying age for the ECCE programme).

17. Will I have to be working to receive a subsidy?

No, but the number of hours of childcare support available each week will depend on whether you (and your partner, if you have a partner) are working or studying. While people will qualify for a subsidy based purely on income, parents' participation in work or training will determine the number of hours of subsidy available. When parents are engaged in work (including part-time work and labour market activation programmes) or in education or training, they may qualify for an enhanced subsidy of up to 40 hours per week. When a parent is not in work or training, childcare will be subsidised on a standard basis of up to 15 hours per week.

18. Can the subsidy be paid directly to the parent?

No. All government childcare subventions are paid directly to the childcare provider on behalf of the parent and deducted from the cost of childcare at this point.

19. Why am I required to provide my PPS number?

A PPS number is needed for you and your child in order to confirm your identity. In addition, if you wish to apply for income-related financial support (i.e. targeted subsidies), then your PPS number will be needed in order to check your income with the Revenue Commissioners and with the Department of Employment Affairs and Social Protection.

20. What age must a child be to benefit from the scheme?

The child must be aged between 6 months and 15 years, and must be attending a Tusla-registered childcare service. For school-age childcare, the subsidy will be available for childcare needed outside of school hours and during school holiday time.

21. Can I use any childcare provider?

It is important to ensure that there is a quality assurance system in place for childcare providers participating in the Affordable Childcare Scheme and receiving State funding. The scheme will be open to all childcare providers who are registered with Tusla and who have a contract with the Department of Children and Youth Affairs.

22. How will I know if my childcare provider is participating in the scheme?

A full list of all contracted childcare providers will be available on the forthcoming Affordable Childcare Scheme website. Information will also be available locally via your City/County Childcare Committee.

23. The Bill provides that early years services are permitted to participate in the Affordable Childcare Scheme if they are registered with Tusla. What does this mean for (a) school age childcare services and (b) childminders, neither of which are currently subject to registration?

a) School age childcare services

The Minister intends to introduce regulations at an early date to enable school age childcare services (which are currently eligible for funding under the existing Childcare Programmes) to register with Tusla. This will be done prior to the commencement of the Childcare Support Act. The registration of school age childcare services will ensure that such services can participate in the Affordable Childcare Scheme and will also represent an important first step on the road to full regulation of such services.

The Affordable Childcare Scheme will be open to the parents of children aged up to 15 years and, therefore, an amendment to the Child Care Act 1991 will be required to include services providing school age care for children up to the age of 15 years within the definition of school age childcare services.

b) Childminders

Currently only a small percentage of childminders are eligible to register with Tusla. Under the 1991 Child Care Act, childminders caring for three or fewer pre-school children are exempt from the pre-school regulations. Childminders caring for four or more pre-school children are subject to registration, and will therefore be eligible to participate in the Affordable Childcare Scheme.

The Minister does not intend to introduce regulations for childminders at this time. However, a Childminding Advisory Group, chaired by Childminding Ireland, was established by the Minister to examine the feasibility and implications of the migration from voluntary to mandatory regulation for the childminding sector, and to identify the reforms and supports required to introduce a robust system of quality assurance for all childminders.

The Group is expected to report to the Department early in 2018. The Department will examine the Group's recommendations in relation to the future regulation of childminders, including appropriate quality assurance systems, with a view to including the sector within the ambit of the Affordable Childcare Scheme in due course.

24. Will school age childcare services be required to register in order to participate in the ACS?

Yes. School age childcare services will not be eligible to participate in the Affordable Childcare Scheme if they are not registered with Tusla. More detail on the different types of services which will be required to register under the regulations will be provided in the near future.

25. What will a school age childcare service have to do in order to register?

It is intended that the proposed new school age childcare regulations will be limited to registration requirements. The procedures for registration will be made known to relevant providers well in advance of the contracting period for the Affordable Childcare Scheme.

A Working Group on Quality Standards for School age childcare services has been established. In tandem with work on the registration of school-age childcare services, this group will support the next phase of work in relation to the development of standards for school-age childcare which, in turn, will inform full regulation of school age childcare services.