

- **New Affordable Childcare Scheme to open for applications in October 2019**
- **Existing childcare subsidy schemes to remain in place for 2019/20 programme year, ensuring certainty for families and ‘continuity of care’ for children**
- **Comprehensive information and training supports to be rolled out from early 2019 offering a supported transition period for families and childcare providers**

This new Affordable Childcare Scheme will replace the existing targeted childcare programmes with a single, streamlined and more user-friendly scheme and will include “wraparound” care for pre-school and school-age children. The Affordable Childcare Scheme will:

- improve outcomes for children,
- reduce poverty,
- facilitate labour activation and,
- tangibly reduce the cost of childcare for tens of thousands of families.

Minister for Children and Youth Affairs, Dr Katherine Zappone, has announced that the new Affordable Childcare Scheme will open for applications in mid- October 2019, with payments flowing from November 2019.

The scheme will offer a single, easy to access system of financial subsidies towards childcare for families in Ireland. Through this, it will enhance affordability and accessibility, and provide a platform for investment in quality childcare to benefit current and future generations.

“I have been steadfast in my commitment to deliver the crucial change that families need and, so, I am delighted to be able to announce the timeframe for the introduction of the new Affordable Childcare Scheme” commented Minister Zappone.

“We are building the radical new childcare infrastructure needed to transform childcare in Ireland from one of the most expensive in the world into one of the very best. This involves putting in place a legislative framework, through the Childcare Support Act 2018, and building a world class IT system to allow parents to access tailored childcare supports that will meet the needs of each family. By lowering childcare costs, the Affordable Childcare Scheme aims to support parents to return to work and training, to reduce child poverty and to improve child outcomes.”

From October 2019 everyone will be able to apply for the new Affordable Childcare Scheme. To ensure a smooth transition for both parents and providers, the current childcare subsidy schemes will remain in place for the 2019/20 programme year. People will be able to register for the current schemes as normal, from August 2019 up until the new Affordable Childcare Scheme launches. After the launch date, people can choose to move over to the new Scheme or to remain on their old scheme for the remainder of the programme year. This will provide

certainty for current scheme beneficiaries, offer ample time to apply for the new scheme and ensure that no family is worse off during the transition period. Once the Affordable Childcare Scheme is in place in October 2019, registrations under the existing schemes will cease.

Comprehensive information, training and supports will be available to parents, childcare providers and other stakeholders from early next year in readiness for the launch of the scheme.

Enhancements to the Affordable Childcare Scheme announced as part of Budget 2019 will mean that an even greater number of families will now benefit from the scheme. The significant increase in the maximum net income threshold to €60,000 per annum means that an estimated 7,500 additional children will benefit from the scheme relative to the original proposals, including some families with gross income of up to €100,000 per annum. Over 40,000 other children, already eligible, will see increases to their subsidies.

Childcare providers, who play an integral role in the delivery of all of the DCYA childcare schemes, will continue to receive a Programme Support Payment (PSP) in 2019. Budget 2019 provided funding of €19.4m for PSP, an increase of nearly 8%, which will bring the total amount of PSP paid to childcare providers since 2017 to over €55m in recognition of the administrative support they offer in delivering the schemes' benefits to parents.

Further information relating to the launch of the scheme will be made available at www.affordablechildcare.ie over the coming months. Families can also find information on the website in relation to existing supports to make childcare more affordable in Ireland.

Below are a set of representative sample families by way of demonstrating the benefit of the new scheme (under the newly enhanced thresholds) to various family types in Ireland.

What will the Affordable Childcare Scheme mean for different families?

The amount of subsidy available under the new scheme is tailored to every individual household's circumstances, i.e. it is based on the net income of the household, the number of children and the ages of the children. The table below provides examples based on 8 common family circumstances.

Table 1: Weekly ACS Subsidy Amounts for Eight Different Families¹

Family Scenario	Possible Gross Income	Weekly subsidy under old ACS proposals	Weekly subsidy under new ACS proposals	Annual Increase*
Lone parent on net annual income of €26,000 , with one child aged 2 years in need of 40 hours of childcare per week	€26,500	€148	€175	+€1,404
Family with a net annual income of €30,000 , with two children aged 1 and 2.5 years and in need of 25 hours of childcare per week	€34,500	€187	€220	+€1,716
Family with net annual income of €34,600 , with a 1 year old and 2 year old twins in need of 40 hours of childcare per week	€41,000	€442	€522	+€4,160
Family with net annual income of €35,000 , with two children aged 1 and 2.5 years and in need of 25 hours of childcare per week	€41,000	€149	€192	+€2,236
Family with net annual income of €47,500 , with two children aged 2 years (40 hours childcare per week) and 5 years (17 hours out-of-school care per week)	€64,000	€52	€128	+€3,952
Family with net annual income of €53,000 , with two children aged 2 years (40 hours childcare per week) and 5 years (17 hours out-of-school care per week) (Making 10% pension contribution)	€87,000	€20 (universal subsidy)	€93	+€3,796
Family with net annual income of €60,000 , with a 1 year old and 2 year old twins in need of 40 hours of childcare per week	€90,000	€60	€176	+€6,032
Family with net annual income of €60,000 , with three children aged 2 years (40 hours childcare per week) and 5 years (17 hours out-of-school care per week) and 7 (17 hours out-of-school care per week). (Making 10% pension contribution)	€102,000	€20 (universal subsidy)	€92	+€3,744

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*Value of increase in subsidy per person per year over base entitlement. Changes in service provider fees could offset some of these increases.

¹ The table takes a gross income and deducts tax and universal social charge to arrive at a net income. The final scenario below also includes a pension contribution which is deductible under the scheme. All of these deductions reduce the family's net income; the lower the net income, the greater the subsidy payable (up to the maximum net income threshold.) There are a number of other income deductions and exclusions which would impact a net income calculation (for ACS purposes) and, in turn, increase the subsidy payment based on individual family and financial circumstances. These deductions are provided for in the Childcare Support Act 2018 or in regulations to be made under that Act.