



A post-Budget update for childcare voucher users

Following this year's Budget statement, the childcare voucher allowance available to working parents will remain the same. Parents are entitled to take vouchers up to the value of **£243 per month** or **£55 per week**, free of tax and NI contributions.

Other areas of interest

- The government announced improvements to the child element of the Child Tax Credit;
- From April 2008 the basic tax rate will be reduced from 22% to 20%, which is likely to slightly affect the savings on offer through tax-exempt salary sacrifice schemes;

Parents may wish to use the HMRC's childcare indicator to ensure they are making the most of the benefits and savings on offer to them. This can be found at <http://www.hmrc.gov.uk/calcs/ccin.htm>

- From April 2009 child benefit for the eldest child (which is paid to all parents regardless of income), will be increased to £20 a week.

A full review of the Budget can be found here:

<http://www.hmrc.gov.uk/budget2008/pn-complete.pdf>

