



# 7 Childcare Assistance Facts

Childcare Assistance and Out of School Care and Recreation (OSCAR) are subsidies provided by the Ministry of Social Development (MSD) to help the **primary caregivers** of dependent children with the cost of pre-school and after school care.

## 1 Apply before care starts

MSD can grant Childcare Assistance or an OSCAR Subsidy to eligible clients from either the clients date of first contact (with MSD), the date childcare started, the date of the centre licence/approval, whichever is later. Once a date of first contact is lodged with MSD, client's will have 20 working days to complete and return their application.

**If a client applies for Childcare Assistance/OSCAR after care has started or if the Centre receives their licence/approval after care starts, MSD will not be able to backdate payments.**

Clients can lodge a date of first contact by phoning 0800 559 009 or by applying online: [Apply online - Work and Income](#)

### Confirm your centre is registered

MSD is only able to pay Childcare Assistance/OSCAR subsidy to approved centres. Please make sure your Childcare Provider is registered with MSD and been assigned a 9-digit number. Subsidies are paid directly to the centre through this number.

## 3 ECE hours

The Ministry of Education (MoE) provides up to 20 Early Childhood Education hours (known as ECE) each week for children aged between 3-6 years, who are attending teacher-led Early Childhood Education services. The ECE hours are available for all families regardless of their income and working hours.

Every hour of ECE (claimed by any centre) will abate an hour of Childcare Subsidy entitlement.

It's important MSD is notified as soon as ECE hours are claimed for a child so Childcare Assistance can be reviewed. This will prevent overpayments of subsidies being issued to the Childcare Provider.

## 2 Hours and Payments

Childcare Assistance/OSCAR subsidy aims to assist clients with dependent children to undertake and stay in employment, education or training. Children must be enrolled with an approved Childcare Provider for a minimum of 3 hours a week. The subsidy doesn't automatically cover the full childcare fees, caregivers are required to pay a parent portion towards care.

### Hours

The number of hours MSD can subsidise is dependent on the caregiver's activity during the period care is required.

### Hourly rate

The rate of payment depends on the number of children a caregiver is primarily responsible for, and the family's combined gross income.

Income limits and rates are available on our website: [Childcare Subsidy \(current\) - Map \(workandincome.govt.nz\)](#)

### Forms of income

- Business Income (for clients who are self-employed or have a controlling shareholder of a business, full financial statements are required to determine income)
- Wages, benefit payments, salary, commission, Parental Leave payments, ACC, Child Support
- the value of goods, services, transport or accommodation supplied on a regular basis. For example, free board, free rent, an income-related insurance payment

A family's gross income (before tax and expenses) will determine the Childcare Assistance rate entitlement.

[Types of income: Contents - Map \(workandincome.govt.nz\)](#)

### Between employment

If a client's employment stops but they have a confirmed job to transfer to, the subsidy can continue for 10 working days between jobs. A Childcare review will be required.

## 4 50/50 Shared care arrangement

Childcare/OSCAR is considered a benefit. The Social Security Act 2018 advises: *only one parent or caregiver (defined as the principal caregiver) is entitled to receive the subsidy. It cannot be paid to two caregivers.*

An assessment of primary caregiver needs to be completed regardless of whether one or both caregivers have applied for assistance. There are many factors to be considered when assessing primary caregiver for benefit purposes.

### Determining Primary Caregiver

Where caregivers have equal care (50/50) of their child/children and it isn't clear which caregiver has greater responsibility (or the responsibility is shared equally), MSD will not be able to include a child/children on either caregivers record unless the parents agree which caregiver is to be considered Primary Caregiver for benefit purposes. If no agreement can be made, the Childcare Assistance application will be declined.

### Assigning primary care for benefit purposes

If one caregiver doesn't require assistance from MSD, the caregivers can agree to assign one as primary caregiver with MSD. A written statement signed by both parties is required.

**Note:** this agreement means the non-primary caregiver won't receive assistance from MSD with their child/children included.

If the agreement changes, please let MSD know.

### Payments

MSD can only subsidise the days the child/children are in the primary caregiver's care.

## 6 52-Week Reviews

Once Childcare Assistance is granted and the record remains current for 1 year, clients are required to complete a '52-week review' form. These forms are due on the anniversary of the Childcare Assistance grant date.

The form confirms a client's continued entitlement, any changes in circumstance, checks for absences from the childcare centre/provider and confirms Childcare Assistance hasn't been overpaid.

This form is mandatory and will be required even if a client has recently transferred to another centre or submitted another form (such as Change of Circumstance form or OSCAR declaration).

## 5 Child Disability Allowance

Child Disability Allowance (CDA) is a non-taxable allowance available to the principal caregiver of a dependent child who has a serious disability/health condition. The allowance is paid in recognition of the extra care and attention needed for that child/children.

CDA entitlement removes the activity portion of the assessment. A caregiver can receive up to 50 hours Childcare Assistance or 20 hours OSCAR during term and/or 50 hours OSCAR during holidays.

**The income assessment still applies.** The family's combined gross income will determine the hourly rate the family may qualify for.

Families getting CDA can also get Childcare Assistance paid until their child is 6 years of age and OSCAR payments until their child is 18 years of age. Clients need to complete a change of circumstances if they require payments to continue after their child's 5<sup>th</sup>/14<sup>th</sup> birthday.

## 7 Children turning five

Childcare Assistance is payable for 5 years and 28 days (except for children in receipt of CDA. See fact 5 above).

The 28 days is known as a 4-week extension. **The 4-week extension is paid consecutively from the Monday after the child turns five.** If a 4-week extension is required, the caregiver will need to request this by submitting a Change of Circumstance form (within 28 days from the Childcare Assistance stopping). The 4-week extension isn't automatic.

### Cohort Entry

Childcare Assistance may continue if a child attends a cohort entry school. Cohort entry schools allow children to start school on the term or mid-term start-date closest to their 5th birthday.