

All Foster Carers must register for Tax and National Insurance
Your payment of Tax and National Insurance is calculated on fostering income
(You may not have an Tax or National Insurance Contributions to pay)

You receive fostering allowances starting from the day the child / young person is placed with you

**Register for
Tax and National Insurance**

When you are approved as a foster carer you must Register for Self-Assessment by contacting HMRC on 0300 200 3504 or online at www.hmrc.gov.uk/register-for-self-assessment; you only need to do this once.

On or around 6th April each year, you will receive a "notice to complete a tax return".

When this has been returned to HMRC, they will work out how much tax and national insurance you must pay, if any, and let you know.

No longer fostering?

Remember it is important to let HMRC know when you stop fostering.

If you are already registered as self-employed due to your own employment, phone HMRC on 0300 200 3504 and let them know you have been approved as a foster carer

Child Tax Credits

Child Tax Credits cannot be claimed in respect of a child for whom fostering allowances are paid. However, foster carers and kinship foster carers may be eligible to claim Child Tax Credits for their birth or adopted children and for any child for whom they hold a Residence Order.

Working Tax Credits

Fostering counts as self-employment, so you may be entitled to Working Tax Credits as your profit from fostering, for tax purposes, is small.

All household income must be declared.

You should make contact with the Tax Credits Helpline on 0845 300 3900 to check your entitlement.

NB: You cannot claim child benefit as this payment is included in foster care allowances.