Ministry of Defence

Early Years Funded Childcare Overseas / Overseas Nursery Authority (ONA)

Frequently asked questions (FAQs)

UPDATES:
DIN renamed
Slides 14 and 15 ONA claims information for UKBCs

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General information

Full information can be found in the DIN, search '*Early Years Funded Childcare Overseas*' on defnet: DINs Search or Defence Connect: Group: Defence Instruction Notices - DIN's | Defence Connect

What early years childcare funding is available overseas?

In overseas locations, the Ministry of Defence (MOD) provides services (or access to services) that, so far as is reasonably practicable, conform in type, scope and standard to that required by legislation in England.

The MOD delivers this entitlement through places at Defence Children Services (DCS) schools and settings (known as DCS providers) or through access to the MOD Overseas Nursery Authority, (ONA).

What is Overseas Nursery Authority (ONA)?

ONA is designed to provide targeted support to eligible families assigned outside the UK in overseas locations, where reasonably practical, by funding the difference between host nation provision and the Department for Education (DfE) offer in England.

ONA can only be used in overseas locations outside of the UK where there are no Defence Children Services (DCS) provided settings, or when DCS settings are unable to meet the requirements of the family.

What can parents claim?

This differs depending on the age of the child and the working status of the parents.

- All families are eligible for the Universal entitlement of 15 hours per week for 38 weeks per year, for their 3–4-year-old children from the term following their third birthday.
- 2-year-olds who have an education, health and care plan or get Disability Living Allowance, are also entitled to 15 hours per week for 38 weeks per year.
- Eligible working families are entitled to up to 30 hours per week of funded childcare for 38 weeks per year, for their 9-months to school starting age children, from the term after they turn 9-months-old.

General information

Is it compulsory to claim early years childcare funding?

It is not compulsory to claim early years childcare funding. The funding is in place to offer targeted support to eligible Defence personnel assigned overseas, that so far as is reasonably practicable, conforms in type, scope and standard to that required by legislation in England.

What is the difference between funded universal childcare and working families entitlement?

Universally funded childcare is available to all families with children aged 3 and 4 and can be used from the term following your child's third birthday.
Additional funding is available to families where both parents (or a sole parent in a lone parent family) are working.

Please see the question 'Who is eligible to claim funding?' on page 4.

Can we claim 15/30 hours every week for the whole year, or term time only?

Early years childcare funding and ONA are capped at 38 weeks per year. However, instead of using 15 or 30 hours per week for 38 weeks, you can choose to stretch your entitlement over the whole year (if your provider can accommodate this).

15 hours per week is 570 hours over a 12-month period.
30 hours per week is 1140 over a 12-month period.

Eligibility criteria

Who is eligible to claim funding?

To be eligible to claim the universal funding the following eligibility criteria must be met:

- One parent is Regular Service or Full Time Reserve Service (Full Commitment) (FTRS FC) personnel, a UK Based Civil Servant posted overseas, or is Specially Recruited for Overseas Service
- Assigned overseas and accompanied by children of eligible age (as set out on p2 'what can parents claim?'), for whom they have parental responsibility or for whom they have a special guardianship order.

To be eligible to claim the funding for working families the following eligibility criteria must **also** be met:

- Both parents (or a sole parent in a lone parent family) must be in paid employment, or starting work within the next 31 days, and earning the equivalent of 16 hours per week at the UK National Minimum or Living Wage.
- Adjusted net income is no more than £100,000.00 per annum, per parent.

What is the UK National Minimum or Living Wage?

The UK National Minimum or Living Wage changes each year in April. For current rates visit GOV.UK.

The equivalent of 16 hours per week is measured for eligibility purposes, on average over a period of three months (13 weeks; in line with HMRC guidelines,) on a reasonable expectation basis.

My partner is self-employed, are we eligible?

A self-employed parent who is the spouse/partner of a Defence person must be able to provide on request at least 3 months official business accounts (including receipts/invoices showing earnings).

My partner is newly self-employed, and they do not yet have 3 months of earnings at the minimum threshold. Are we still entitled to 30 hours ONA?

A self-employed parent with a newly registered business (less than 12 months) will have to provide proof of earnings prior to becoming eligible for the working families' entitlement, but they do not need to meet the minimum earnings threshold. This proof should be presented along with the funded childcare application form to the Chain of Command, Commanding Officer or Head of Location.

Eligibility criteria

My partner is in receipt of benefits, what are we entitled to?

If your partner is not currently working, you may still be eligible for entitlements available to working families if you are working, and your partner is on carer's leave or are in receipt of a UK Government benefit listed in the eligibility criteria for working families in England (GOV.UK).

Do working parents remain eligible when on leave?

Families will usually remain eligible if the parent(s) are on annual leave or in receipt of Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP), Statutory Shared Parental Pay (ShPP), Statutory Paternity Pay, Statutory Adoption Pay (SAP) Statutory Neonatal Care Pay or are on Bereaved Partner Paternity Leave. If parents are on adoption leave for an eligible child, they must return to work within 31 days of the date they first apply for the working families funded childcare for that child.

Wages are low in our location, and it is hard to reach the lower minimum earnings threshold. Why is the English minimum threshold used when it does not reflect earnings here?

There are a couple of reasons why the minimum income threshold set by HMRC of equivalent to 16 hours at the UK National Minimum / Living Wage per week has been adopted for this policy:

- HMRC has imposed this threshold for the equivalent scheme in England. As Service families are located overseas on a temporary basis only, and are not domicile in the Host Nation, English statutory guidance is applied and therefore UK National Minimum / Living Wage is applied, not that of the Host Nation;
- All families will get 15 hours free childcare for their 3- and 4-year-olds, or 15 hours for their 2-year-old if they have an education, health and care plan or get Disability Living Allowance, and partners do not have to be employed or reach the income threshold above.

Eligibility criteria

What happens If my partner or I take unpaid leave, or my partner stops working?

At the time of application/reconfirmation you are declaring that you expect to both be earning at least the minimum earnings threshold for the next 3 months. You will retain eligibility for the next 3 months.

If, when the time comes to reconfirm again,

- **you anticipate you or your partner taking unpaid leave or stopping working, but restarting again within 31 days**, earning the minimum threshold, you may continue claiming uninterrupted.
- **you anticipate you or your partner taking unpaid leave or stopping working, and not restarting again within 31 days**, you will need to work out if you/they will earn enough in the weeks before stopping working to reach the minimum threshold of 13 weeks x 16 hours at the UK National Minimum / Living Wage.
- **either you or your partner are taking unpaid leave (e.g. Statutory Maternity Pay has stopped, and you/they are now on unpaid Maternity Leave), or have stopped working, and do not expect to restart work, earning the minimum threshold, within 31 days,** your eligibility will stop from that point onwards and you will enter a grace period. The grace period means that you can carry on claiming until the end of the current 'full' term. This will allow parents to re-enter employment / earn the minimum threshold whilst preserving the entitlement to the working families funding. Once the grace period has ended, the child/ren will no longer be eligible for the working families' entitlement but may continue to be eligible for the universal entitlement if they are 3 or 4 years old. Parents should reapply if their circumstances change, and they become eligible again.

Providers

There is a Defence Children Services (DCS) setting at my location, do I have to use this setting?

In locations with a DCS provider, parents must use this provider to be entitled to the childcare/early learning offer. Further information is available at Education overseas for service children - GOV.UK (scroll to 'DCS schools and settings' and 'DCS schools and early years settings by location').
Only in exceptional circumstances can you choose a different setting and claim ONA instead. Exceptional circumstances include, but are not limited to:

- The DCS setting cannot accommodate the individual needs of the child (eg it cannot accommodate developmental issues or a disability);
- The DCS setting has no spaces available;
- The DCS setting is too far to travel;
- The DCS setting is too far to travel in relation to a sibling's school;
- The child is already settled within another setting;
- The timings are not compatible with the shift patterns of the parent.

This list is not exhaustive, and the Chain of Command, Commanding Officer or Head of Location may decide at their discretion whether a case fits the description 'exceptional circumstances'.

There is no DCS setting at my location, how do I choose a provider?

It is important to obtain the best possible advice on the childcare options available. Useful information may be obtained from staff in situ at the receiving unit or from the International HIVE. It is the responsibility of the parent(s) to choose the provider and satisfy themselves that it is suitable, however, ONA can only be applied for when using childcare providers, or childminders, that have been registered, regulated and inspected by the Host Nation. Parents are responsible for ensuring that their chosen provider meets these criteria if they want to claim ONA.

Can I use a nanny?

Childcare provided by nannies is not supported under ONA.

Is there a capped rate for ONA that I need to bear in mind when choosing a provider?

There is no capped rate when claiming ONA. However, where there is more than one suitable childcare provider available, parents should choose the setting that offers hours closest to the funded hours entitlement (see page 8 for further details).

Providers

My non-DCS provider does not give the option of just using 15/30 hours. Can I claim ONA above entitlement to cover the extra hours I am obliged to pay for?

Yes, as long as no suitable provider exists which allows the option of using 15/30 hours a week. It is recognised that in certain countries settings may not provide the option of using 15 hours/30 hours a week and may require children to attend more hours or even full-time to secure a place. In these circumstances, Annex D of the DIN '*Early Years Funded Childcare Overseas'* must be completed to provide evidence of the minimum provision available.

My child's provider is open for more than 38 weeks of the year, and I am obliged to pay for a placement for the full year to keep the spot. Can I use Annex D to claim extra weeks?

Yes, as long as no suitable provider exists which allows the option of using 38 weeks a year. It is recognised that in certain countries settings may not provide the option of using only 38 weeks a year and may require children to attend more weeks to secure a place. In these circumstances, Annex D of DIN '*Early Years Funded Childcare Overseas'* must be completed to provide evidence of the minimum provision available.

My child has started school, but they do shorter hours here than in England. Can I use ONA to pay for wraparound care?

The purpose of Overseas Nursery Authority (ONA) is to provide targeted Early Years support by funding the difference between host nation and English provision where it is reasonably practicable to do so. It can only be used for the programme closest to the funded entitlement. Wraparound childcare is not Early Years provision, and ONA can therefore not be claimed in this case. If your child is aged 4-11 years old and has started full-time education, if you meet the Wraparound Childcare (WAC) overseas, OR Primary School Aged Childcare Overseas (PSACO) eligibility criteria, you could be eligible to claim the WAC or PSACO allowance. For more information about WAC or PSACO for Service personnel please see the Defence Childcare Information Page available on defnet and Defence Connect. Families can visit Discover My Benefits Families Hub for more information.

Application

How do I apply for the funded universal childcare entitlement at a DCS provider?

Funded **universal childcare entitlements** will be managed locally by the DCS provider. This means that for parents whose eligible child(ren) are to attend a DCS provider for their universally eligible 15 funded hours for 3- and 4-year-olds, or 2-year-olds who have an education, health and care plan or get Disability Living Allowance, the Funded Childcare Application Form **does not** need to be completed.

How do I apply for the additional funded hours at a DCS provider?

In the case of a working family whose child(ren) qualify for **additional funded hours** (totalling 30 hours for their children aged 9 months old to school starting age), parents must complete the Funded Childcare Application Form at Annex C to DIN '*Early Years Funded Childcare Overseas'* and forward it to the Head Teacher / Early Years Manager of the DCS provider. Application forms must be retained by the parent for two years in case of audit.

How do I apply for ONA for a non-DCS provider?

Whether you are entitled to only the universal allowance or the additional working families allowances, you must complete the Funded Childcare Application Form at Annex C to DIN '*Early Years Funded Childcare Overseas'*. You should forward the completed application form to your Chain of Command, Commanding Officer or Head of Location, and await a response before enrolling your child(ren) with the provider. Where a DCS provider exists, but the parent is not able to make use of it, the applicant must provide sufficient information to support their alternative choice of provider. Approved application forms must be retained for two years after the last claim has been submitted in case of audit.

How do I apply for ONA above-entitlement?

If parents are applying to claim over and above their eligible funded entitlement of either 15 or 30 hours per week for a child, they must complete the Application for Extra Funded Childcare Hours form at Annex D in addition to the Funded Childcare Application Form (at Annex C to DIN '*Early Years Funded Childcare Overseas').*

Reconfirmation of Eligibility

Do working families have to reconfirm eligibility every 3 months like in England?

Yes. Parents from working families must confirm their ongoing eligibility for additional childcare entitlements either every three months, or at the start of each term, depending on the process implemented by Unit Admin (for non-DCS providers) or DCS Early Years Advisors (for DCS providers). A Reconfirmation of Eligibility Form is provided at Annex E of DIN '*Early Years Funded Childcare Overseas'.*
Unit Admin/DCS Early Years Advisors may adopt their own local processes. Parents should check what these are.
Parents from working families are responsible for returning the completed form promptly to their Unit Admin/DCS Early Years Advisors (for DCS providers), in order to avoid interruption to entitlement.

What happens if I forget to reconfirm or am late reconfirming?

It is essential that parents reconfirm ongoing eligibility to avoid interruption to entitlement to funded hours or delays to approvals of ONA.

What should I do if my partner is working at the time of reconfirmation, but we know they will stop working within the next 3 months?

Please see 'What happens if I or my partner takes unpaid leave, or my partner stops working?' on Page 6.

It is time to reconfirm but my partner has stopped work / is due to stop work / will no longer meet the minimum earnings threshold. Does our entitlement stop straight away?

Please see 'What happens if I or my partner takes unpaid leave, or my partner stops working?' on Page 6.

When we last reconfirmed, we expected my partner to earn the minimum earnings threshold, but they didn't. Do we need to pay anything back?

No, you do not need to pay anything back. You will now enter a grace period, please see 'What happens if I or my partner takes unpaid leave, or my partner stops working?' on Page 6 for further information about the grace period (in the final paragraph)

Paying for DCS provision

Do I need to pay for DCS setting and reclaim?

No, you do not need to pay up front for childcare at a DCS setting.

Funded universal childcare entitlements will be managed locally by the DCS provider. This means that for parents whose eligible child(ren) are to attend a DCS provider for their universally eligible 15 funded hours for 3- and 4-year-olds, or for 2-year-olds in receipt of certain government allowances, the Funded Childcare Application Form does not need to be completed.

In the case of a working family whose child(ren) qualify for additional funded hours (totalling 30 hours for their children aged 9 months old to school starting age), parents must complete the Funded Childcare Application Form at Annex C and forward it to the Head Teacher / Early Years Manager of the DCS provider. Application forms must be retained by the parent for two years in case of audit.

General ONA Claims information for Service Personnel and UK Based Civil Servants

Can I claim for other costs / fees that aren't childcare?

The following are permissible items to claim via ONA:

- registration/enrolment fees
- processing fees
- insurance fees
- material fees for items required for learning such as books etc. (material fees for items such as nappies and suncream cannot be claimed for).

The following item are **not** permissible:

- Activity fees (including holiday clubs or any other optional activities)
- clothing (e.g. uniform, PE kits)
- school photographs
- security deposits
- waiting list fees
- late payment fees

Meals will only be refunded if they are part of the tuition fees or included as compulsory on the invoice.

We receive a childcare subsidy/childcare funding from the government in-country. Can I still claim ONA?

ONA is designed to provide targeted support to eligible families assigned outside the UK in overseas locations, where reasonably practical, by funding the difference between host nation provision and the Department for Education (DfE) offer in England. If, you receive any subsidy/funding from the local government then you would not be eligible for ONA unless that subsidy/funding covers fewer childcare hours than you would be entitled to in England. In which case you could claim ONA for the number of hours needed to bring you in line with the English entitlement.

I need to pay in advance to secure a place, can I put a claim in before my child has started / before my child reaches eligible age?

As ONA falls under JSP 752, claims must be made within 90 days of expenditure. Some childcare providers require payment in advance to secure a place, so long as your CoC is satisfied that you will be in post for the period you are claiming for, ONA claims may be submitted as soon as childcare invoices have been paid.

General ONA Claims information for Service Personnel and UK Based Civil Servants

Can I claim ONA up front, before paying the childcare provider?

No. Like all expenses, ONA can only be claimed as a refund on expenditure already incurred.

In my location children start school earlier than in England. Can I use ONA to fund a placement at a private school?

If a Host Nation requires a child to begin education before the term after their 3rd birthday ONA may be claimed where no suitable state school exists

In my location children start school later than in England. Can I use early years childcare funding/ONA until my child starts school locally?

In locations where there are no DCS schools ONA will be available until such time children enter full-time education locally.

If a DCS school is available at your location, you would not be able to claim ONA beyond English reception age as DCS schools follow English school entry guidance and Service children could attend the DCS school.

In my location children start school later than in England. I am claiming extended ONA to cover childcare, but my child would be eligible for free school meals in England. Can I use ONA to cover meals?

No, ONA only covers meals that are part of the tuition fees or included as compulsory on the invoice. Universal Infant Free School Meals (UIFSM) are covered by a separate policy. Defence Instructions and Notices - Home (sharepoint.com) refers (search for DIN '*Universal Infant Free School Meals*').

ONA Claims information for UK Based Civil Servants (UKBCs)

Tax and National Insurance implications for UKBCs claiming ONA?

ONA is a reimbursement for childcare costs; for UKBCs it is deemed an extra income which makes it a 'taxable benefit' by HMRC. To offset this, Defence pays extra to cover any tax and National Insurance (NI) payments you may incur when making ONA claims – this is called grossing up. This process can have a knock-on effect on your individual tax and NI allowance and brackets.

Where income is increased, it is possible that you may move to a higher tax bracket, or may find that future Universal Credit, means tested tax credits (e.g., Child Tax Credits), Child Maintenance Service awards, Child Benefit payments (if they reach High Income Child Benefit Tax Charge level, currently £60,000), the rate of repayment on Student Loans etc. are affected.

If pushed into a higher tax bracket, the rate of tax paid on second incomes such as pension, dividend, or rental income etc. may be affected since these are taxed at the highest rate (i.e., the personal tax-free allowance and basic rate taxation etc. will be set against MOD employment income).

It will be important to anticipate this ahead of making ONA claims to ensure that you are making the most financially advantageous decision for your family. UKBCs are encouraged to seek independent financial advice on this prior to participating in the ONA scheme. The Department will not provide additional compensation to families impacted by tax rate changes, or loss of means tested benefits as a result of claiming ONA payments.

Further guidance on 'grossing up' can be found on the Defence Childcare Information Page on defnet and Defence Connect. There is no separate ONA grossing-up guidance. The UK Nursery Authority grossing-up guidance covers the same points and is also relevant to UKBC claims for ONA.

ONA Claims information for UK Based Civil Servants (UKBCs)

Do I need to declare ONA on my tax return?

UKNA is paid in to your MOD salary. If your salary is your only income, then tax and NI will be calculated automatically. If you have additional income streams, then you should seek independent financial advice about declarations. If in any doubt you should seek independent financial advice.

How do UKBCs claim ONA?

Once your Funded Childcare Application Form (Annex C to DIN '*Early Years Funded Childcare Overseas')* and if appropriate, your Application for Extra Funded Childcare Hours (Annex D to DIN '*Early Years Funded Childcare Overseas')*, has been completed and signed off by Chain of Command, Commanding Officer or Head of Location, you may begin claiming ONA.

HR staff responsible for arranging ONA reimbursements for UKBCs should email People-AFFS-Child-Expenses@mod.gov.uk for guidance on administering payments while a long-term payment solution is developed.

ONA Claims information for Service Personnel

How do I claim ONA?

Once your Funded Childcare Application Form (Annex C to DIN '*Early Years Funded Childcare Overseas')* and if appropriate, your Application for Extra Funded Childcare Hours (Annex D to DIN '*Early Years Funded Childcare Overseas'*) has been completed and signed off by Chain of Command, Commanding Officer or Head of Location, you may begin claiming ONA via JPA's i-Expense (Overseas Child Expenses). Instructions on how to submit an ONA claim via JPA can be accessed in the Self-Service User Guide IN506031 (ONA expense claims) on the Defence Childcare Information Page on defnet and Defence Connect.

Reimbursement will be made according to the payment option chosen on the completed Annex C. Claims for annual reimbursement cannot be processed. In line with JSP 752 claims must be made within 90 days of expenditure. If you don't have access to JPA please see the next question.

I don't have access to JPA, how do I claim ONA?

Service personnel without access to JPA should submit any claims using a manual F016 with receipts to their Unit Admin. UIN A5591Q and RAC NHB001 should be used when undertaking local payment action, but only once eligibility has been confirmed.

Moving back to the UK

We are returning to England

It's not possible to apply for additional funded childcare online when you are outside England. If you are due to return to England from overseas or elsewhere in the UK after a term deadline, you can call the Childcare Service Helpline on 0300 123 4097 to apply for a free childcare code and request a manual application. The manual application must be completed before the term deadline.

Parents can apply outside of the recommended dates, but they might not receive their code in time. Parents must have a valid code by the end of the month before a new term starts. Information on term deadlines and when to apply can be found in DIN '*Early Years Childcare Funding Overseas'.*

We are returning to Scotland

Funded early learning and childcare is free to all parents, funded by the Scottish Government. You can get up to 1,140 hours of funded early learning and childcare a year (around 30 hours a week in term time) if your child is 3 or 4 years old. Some 2-year-olds are also eligible. Please visit Scottish government pages for the latest information. Help paying for childcare - mygov.scot

We are returning to Wales

Wales provides a minimum of 10 hours per week of nursery education for all children aged 3 and 4 years; up to an additional 20 hours per week of funded childcare for eligible parents of 3-4-year-old children during term time, rising to 30 hours of funded childcare for up to 9 weeks during school holidays. In some areas 12.5 hours of flying start funded hours are available for 2-year-olds. Applications are dealt with directly by each Local Authority's Family Information Service (FIS) where the parents reside. For further information please visit Find your local Family Information Service | GOV.WALES.

We are returning to Northern Ireland

Parents of children aged 3 and 4 years can apply to receive 12.5 hours per week of free, also known as funded, preschool education. This allocation can only be taken over 2.5 hours per day, 5 days a week, during term time. Places are provided by nursery schools, primary schools with nursery units and some voluntary and private providers. The places cannot be provided by childminders. Please visit https://www.nidirect.gov.uk/information-and-services/parenting-and-childcare/childcare

Moving back to the UK – UK Nursery Authority (UKNA)

What is UKNA?

In Scotland, Wales and Northern Ireland, the Government Early Years childcare funding offer is different to England.

The Defence UKNA scheme is a reimbursement for eligible working Service families living in Scotland, Wales or Northern Ireland, for the costs of up to 30 hours per week of early years childcare fees, for up to 38 weeks per year.

It's important to understand that UKNA does not give you a childcare space. It pays back money to eligible families who have already paid for early years childcare.

Service personnel can find further details about UKNA on the Defence Childcare Information Page on defnet and Defence Connect.

Family members can find further information on the Discover My Benefits Families Hub or Childcare for Service children - GOV.UK

UKNA and Scotland

In Scotland, eligible working Service families with children aged 9 months to 3 years old, can claim up to 30 hours per week for 38 weeks per year. Subject to ongoing eligibility, entitlement to claim ceases when the child becomes eligible for Devolved Government funding for 3-year-olds.

UKNA and Wales

In Wales, eligible working Service families with children aged 9 months to 3 years old, can claim up to 30 hours per week for 38 weeks per year. Subject to ongoing eligibility, entitlement to claim ceases when the child becomes eligible for Devolved Government funding for 3-year-olds.

UKNA and Northern Ireland

In Northern Ireland, eligible working Service families with children aged 9 months to 3 years old can claim up to 30 hours per week for 38 weeks, while those with 4-year-olds can claim up to 17.5 hours per week for 38 weeks per year. Subject to ongoing eligibility, entitlement ceases when the child starts full-time education, including Primary 1 or home education.

Useful links and information

Where can I find more information?

The Defence Childcare Information Page on defnet and Defence Connect is where Service personnel can access all the information about funded early years childcare overseas and Overseas Nursery Authority (ONA), including DIN '*Early Years Funded Childcare Overseas'*.

Those without access to defnet and Defence Connect, including non-Serving partners, can find information about the Overseas Nursery Authority on the Discover My Benefits Families Hub.

General information about childcare for Service children can be found at:
Childcare for Service children - GOV.UK
For information about childcare in specific overseas locations contact the International HIVE

Please visit the Best Start in Life (GOV.UK) website to find out what UK government childcare schemes are available for your child.

Any further questions can be sent to people-affs-child-expenses@mod.gov.uk