



Primary School Aged Childcare Overseas (PSACO) allowance Frequently Asked Questions

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General information

What is the PSACO allowance?

The final phase of the Wraparound Childcare (WAC) scheme, designed to support eligible Service families overseas where WAC cannot be accessed. The PSACO allowance provides funding for wraparound childcare (before and after school childcare) in overseas locations where due to local rules or regulations, it is not possible for WAC eligibility criteria to be met or because Tax-Free Childcare (TFC) accounts are not available.

The PSACO allowance does not provide childcare spaces; it provides a reimbursement for costs incurred when eligible families pay for before and after school childcare.

For full details of PSACO eligibility, search PSACO allowance at [DINs Search](#) (defnet) or [Group: Defence Instruction Notices - DIN's | Defence Connect](#). (Service personnel access only).

What is wraparound childcare?

Wraparound childcare is childcare that 'wraps around' the conventional school day. The Defence Wraparound Childcare (WAC) allowance (including PSACO) refers to provision directly before and after the school day during school term time for school age children. This provision can be offered by schools and private, voluntary and independent (PVI) providers (including childminders and early years settings) and can be run on a school site or at another setting in the area. It must not require parents to pick their children up from school and drop them off at another location.

What is the difference between the PSACO and WAC allowances?

There are 2 differences between the WAC and PSACO allowances.

- For WAC an active Tax-Free Childcare (TFC) account is required. A TFC account is only available in the UK, or to Service families assigned to the European Economic Area & Switzerland, or locations where Defence Children Services (DCS) schools and settings are used for before and after school childcare. For all other overseas locations where Service families meet the eligibility criteria, but TFC is not available, they may be able to claim the PSACO allowance instead.
- For WAC the minimum earnings threshold is the equivalent of 16 hours per week at the UK National Minimum or Living Wage. In some overseas locations, the rates of pay are lower, and non-Serving partners cannot meet the WAC minimum earning threshold. For PSACO the non-Serving partner (where applicable) must reach **either** a minimum earnings threshold of the equivalent of 16 hours per week at the UK National Minimum or Living Wage **or** a minimum hours worked threshold of 16 hours per week in paid employment.

If a SP registers and claims for PSACO and later becomes eligible for WAC, they must stop claiming PSACO with immediate effect, register for a TFC account, register for WAC and submit any further claims as WAC claims. See WAC eligibility criteria available on the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#), or on the WAC pages of [Discover My Benefits](#) (www).

General information

What can parents claim?

Up to 20 hours of before and after school childcare, per week, per child (aged 4-11 years old, 4-16 years old if in receipt of UK disability benefits), for up to 39 weeks per year (during term time only).

The reimbursement is capped at an hourly rate. Hourly capped rates are set annually using the English average cost of wraparound childcare by provider type as reported in the [Coram childcare survey report](#). For the PSACO allowance, the hourly rate for school and childminders is set to the Coram average for England and adjusted using the in-country Local Overseas allowance (LOA) formula.

Where breakfast is an additional cost, but included within the capped rate, this can be claimed for. Where other meals, activities, materials, transport, trips etc.* are a cost on top of the cost of childcare, this is payable by the parent and must not be claimed.

*This list is not exhaustive.

A list of the PSACO capped hourly rates can be found in the PSACO allowance DIN and on the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

What does 'term time only' mean?

The PSACO allowance can be claimed for 39 weeks per year (52 week rolling period). This includes teacher training days but does not include public holidays or any school holiday time. The 52-week rolling period starts from the date of childcare used in your claim.

Where can I find more information?

The Defence Childcare Information Page on [defnet](#) and [Defence Connect](#) is where Service personnel can access all of the information about the PSACO allowance.

Families can find PSACO allowance information on [Discover My Benefits](#) (www).

Is it compulsory to claim the PSACO allowance?

Claiming the PSACO allowance is not compulsory. To make an informed decision about what is best for their family, Service personnel should read the DIN and further guidance.

Search PSACO allowance at [DINs Search](#) (defnet) or [Group: Defence Instruction Notices - DIN's | Defence Connect](#). (Service personnel access only).

Please see previous question for links to further guidance and information.

Tax implications

Are there any tax and National Insurance implications?

Yes, as the MOD is reimbursing you for your childcare costs, 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 PSACO allowance claims – this is called Grossing up.

This process can have a knock-on effect on your individual tax and NI allowance and brackets – if you are on the cusp, it could push you into a higher one.

It may also affect other benefits such as child benefit and student loan payments.

We encourage you to read and regularly review the guidance. A grossing up guide is available as a resource on the PSACO allowance page of [Discover my Benefits](#) (www) and the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

All Service personnel are encouraged to seek independent financial advice on this prior to participating in the PSACO allowance scheme.

Grossing Up. What does this mean and what will my Statement of Earnings show?

The PSACO allowance is a 'taxable benefit'. Defence pays extra to cover any tax and National Insurance (NI) payments you may incur when making PSACO allowance claims – this is called Grossing Up.

It will show up on the Serving parents' payslip (Statement of Earnings). It will include the amount that was submitted in the PSACO allowance claim along with the 'grossed up' amount.

Grossing Up can have a knock-on effect on your individual tax and NI allowance and brackets – if you are on the cusp, it could push you into a higher one.

We encourage you to read and regularly review the guidance. A Grossing Up guide is available as a resource on the PSACO allowance page of [Discover my Benefits](#) (www) and the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

All Service personnel are encouraged to seek independent financial advice on this prior to participating in the PSACO allowance scheme.

Do I need to declare PSACO allowance on my tax return?

The PSACO allowance is paid in to your Armed Forces 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.

Eligibility

Who is eligible to claim the PSACO allowance?

To be eligible to claim the PSACO allowance the following eligibility criteria must be met:

- Service parent must be Regular or FTRS. Service personnel will be eligible following their completion of Phase 1 training until their termination date (TX).
- Service parent is either, Serving accompanied with an assignment order to an overseas location, Serving unaccompanied overseas or in the UK with the family residing in an overseas location.
- The child for whom the Service person has parental responsibility for must:
 - Be aged 4-11 years old or 4-16 years old if in receipt of certain UK disability benefits.
 - Attend full-time education (including home education).
 - Be living with the Service parent for at least 50% of the time except when separated for Service commitments.
- Service parent must be financially responsible for the child.
- It is not possible for the parent(s) to have a Tax-Free Childcare (TFC) account for their child(ren) either due to:
 - TFC accounts not being available because the provider is outside of the UK, European Economic Area & Switzerland, or is not a Defence Children Services (DCS) provider, or,
 - In country rules and regulations that prevent the parents from accessing TFC accounts.
- Both parents (or sole parent in a lone parent family) must be in paid employment, working at least 16 hours per week **or** earning the equivalent of 16 hours per week at the UK National Minimum or Living Wage.
- Parent(s) cannot be in receipt of Universal Credit, a childcare bursary or grant.
- Higher earning threshold per parent (or sole parent in a lone parent family) is £100,000 adjusted net income per year.
- Provider must be registered, regulated and inspected by Host Nation authorities or a Defence Children Services (DCS) provider if spaces are available.

To note:

Parents must not use a salary sacrifice childcare voucher scheme such as the Armed Forces Childcare Voucher Scheme (AFCVS) to pay for before and after school childcare when claiming the PSACO allowance.

What does separated for Service commitments mean?

Separated for Service commitments includes:

- Deployments & residential courses.
- Unaccompanied assignments (i.e., Service person lives in SLA during the week and returns to the family home at the weekends).

Will my PSTAT Cat affect my eligibility?

If you meet the eligibility criteria, you can complete the registration. Personnel who are PStat Cat 1, 1(s), 1(c), 2, 5(s) or 5(c) or who are recorded as LTR or LTR(E) will be automatically eligible so long as they meet the remaining eligibility criteria. All registrations from SP within PStat Cats 3 and 4 will be raised to the allowance checker for review.

Eligibility

Do we need to be married to claim the PSACO allowance?

Service personnel do not need to be married to be eligible to claim the PSACO allowance.

Do families need to live on base to claim the PSACO allowance?

Families do not need to live on base to claim PSACO allowance.

If a parent earns £100,000 adjusted net income or more and the other earns less than £100,000 adjusted net income, do they qualify for the PSACO allowance?

No, if either parent earns £100,000 adjusted net income per year or more, they do not qualify for the PSACO allowance Scheme.

If both parents earn less than £100K adjusted net income per year each, they will be eligible to claim the PSACO allowance so long as they meet the minimum earning criteria.

The upper income limit for the PSACO allowance is based on the £100K maximum earning threshold for the WAC scheme.

Parents need to be aware that if claiming PSACO funding pushes a parent over the £100,000 threshold, they will not be eligible to claim PSACO funding **or early years funded placements for younger children**.

I commute to work weekly, my children remain in the family home, am I eligible?

Personnel who live away during the week and return to the family home at weekends and during leave periods (choosing to live unaccompanied), are classed as being separated for Service reasons which satisfies the PSACO allowance eligibility criteria.

If I am assigned overseas unaccompanied with my family living in another location, can I claim the PSACO allowance?

Service personnel Serving on an unaccompanied assignment overseas with their family residing in another location will need to check if their family meets the eligibility criteria for one of the Defence before and after school childcare funding schemes: PSACO allowance, WAC or WAC Overseas. The eligibility criteria varies depending on where the child is located.

Can I claim PSACO if I claim Universal Credit?

No. The PSACO allowance is the final phase of the WAC scheme. WAC eligibility criteria is formed from the mandatory eligibility required by HMRC's TFC scheme, with additional criteria added by Defence. PSACO eligibility criteria is the same as WAC eligibility criteria, with the exception that a TFC account is not required due to local rules and regulations that prevent TFC accounts being available. It is not possible to have a TFC account at the same time as claiming Universal Credit, therefore it is not possible to claim the PSACO allowance when claiming Universal Credit. SP will need to assess which they are better off claiming. You may be able to claim back up to 85% of your childcare costs if you're eligible for Universal Credit. SP should follow the guidance at <https://www.gov.uk/guidance/universal-credit-for-armed-forces-personnel-posted-overseas> to apply for universal credit.

Eligibility – child information

What is the definition of a Service child?

- A Service child in the context of this scheme is a child who the Service person has financial responsibility for, and the child lives with the Service person for at least 50% of the time; unless separated due to Service commitments.
- Adopted children, children of long-term relationships and domestic partner children, where they meet the eligibility criteria, are eligible.
- Foster children are not eligible.
- Where the child is normally resident elsewhere, for example with another natural parent or relative, the Service person will be unable to claim the PSACO allowance.

Why are fostered children not eligible to join the PSACO allowance scheme?

The PSACO allowance is the final phase of the WAC scheme. WAC eligibility criteria is formed from the mandatory eligibility required by HMRC's TFC scheme, with additional criteria added by Defence. PSACO eligibility criteria is the same as WAC eligibility criteria, with the exception that a TFC account is not required due to local rules and regulations that prevent TFC accounts being available.

As foster children are not eligible for TFC, they will not be eligible for PSACO. This is because fostered children are 'looked after children' and the Local Authority (LA) is responsible for them, not the parent. The way the LA delivers its responsibility is by employing foster carers, but the LA remains responsible for the child.

Is there a maximum number of children who can be accepted onto the PSACO allowance scheme and claim the full 20 hours per week?

There is no maximum number of children that can be accepted, so long as the eligibility criteria is met. The full 20 hours can be claimed for every eligible child, for up to 39 weeks per year (during term time).

My child attends middle school, therefore does not enter upper school until age 13. Are they eligible for the PSACO allowance until they leave middle school?

PSACO allowance funding is available for eligible families with children aged 4-11 years old (4-16 years old if in receipt of UK disability benefits). If your child does not meet this eligibility criteria, you will not be eligible to claim PSACO.

My 4-year-old attends an early years setting which is set within a school. Is my child eligible for the PSACO allowance?

A child becomes eligible for the PSACO allowance when they start full-time education (including home education). Nursery, pre-school and FS1 are not full-time education.

Eligibility – child information

What age range are children eligible?

Children aged between 4 and 11 years (4-16 years if in receipt of UK disability benefits) that have started full-time education, including home education are eligible.

Are children aged over 11 years old with Special Education Needs and Disabilities (SEND) eligible?

Children in receipt of Disability Living Allowance, Personal Independence Payment, Armed Forces Independence Payment, Child Disability Payment (Scotland only), Adult Disability Payment (Scotland only), or if they are certified as blind or severely sight-impaired, will be eligible for a higher maximum allowance of up to twice the capped hourly rate for the childcare provider's region.

For these children, the starting age remains 4 but the child retains eligibility until the 1st of September after their 16th birthday. To receive the higher capped rate for disabled children, during PSACO registration 'disabled child' must be selected. Supporting evidence will need to be supplied to Unit HR before the registration is approved.

Can I claim PSACO if my child attends boarding school?

If a child attends boarding school as a weekly or full boarding pupil, they are ineligible for PSACO allowance.

Where a child attends an independent or international school as a day pupil, they could be eligible for the PSACO allowance (if all other eligibility criteria are met). To claim PSACO the before and after school childcare hours must be shown separately to school fees on the invoice. Where the before and after school hours are included as part of the invoiced school fees, Service personnel will not be eligible to claim PSACO.

Will claiming the PSACO allowance for my 4 -11-year-old child(ren) affect my claim for 15/30-hour funding for my 9 months old to school starting age children?

If claiming PSACO pushes the serving parent above the £100,000 adjusted net income maximum earning threshold, this could impact funding received for additional Early Years hours (15/30 hours for children aged 9 months to school starting age).

It will not affect claims for the Government Scheme of a universal 15 hours Early Years entitlement for all children from the term after they turn 3 years old (England) or the respective Government schemes in Scotland, Wales and Northern Ireland.

Eligibility – types of leave and partner information

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.

If Service personnel or their partner are on a career break are they eligible?

No, they will not be eligible. Both parents (or sole parent in a lone parent family) must be in paid employment and either be working a minimum of 16 hours per week or have a weekly income equivalent to 16 hours at the [National Minimum or Living Wage](#).

If my partner is not working, can I claim the PSACO allowance?

Partners must be in paid employment or starting or re-starting work within the next 31 days and **either** work 16 hours per week **or** have a weekly income equivalent to at least 16 hours at the [UK National Minimum or Living Wage](#).

If a partner can't work and is in receipt of Incapacity Benefit, Severe Disablement Allowance, Carer's Allowance or contribution-based Employment and Support Allowance, you will be able to claim the PSACO allowance funding if all the other eligibility criteria are met.

My partner is in full time education; are we eligible to claim the PSACO allowance?

No, you will not be eligible to claim the PSACO allowance whilst your partner is in full-time education, unless they are also **either** in paid employment for a minimum of 16 hours per week **or** they earn the equivalent of 16 hours per week at the [UK National Minimum or Living Wage](#).

The PSACO allowance is the final phase of the Wraparound Childcare (WAC) scheme. PSACO eligibility criteria mirrors WAC eligibility criteria, with the exception that a TFC account is not required due to local rules and regulations that prevent TFC accounts being available. It is not possible to have a TFC account when in full time education (unless the minimum earning threshold is met).

My partner is on an apprenticeship; will we be eligible to claim the PSACO allowance?

If your partner is working for at least 16 hours per week or earns the equivalent of at least 16 hours at the [UK National Minimum Wage](#) for apprentices, you will be eligible to claim the PSACO allowance.

If parents are separated or divorced, how does the eligibility for the PSACO allowance funding work?

To be eligible for PSACO allowance funding, the child must live with the Service parent for at least 50% of the time except where separated due to Service commitments (deployment, residential courses) and the child must be recorded on JPA. If the child lives with the other parent for more than 50% of the time, the Service parent is not eligible for PSACO allowance funding.

Eligibility – contract types

Are Sponsored Naval Reserves eligible to claim the PSACO allowance?

Sponsored Naval Reserves are not eligible for the PSACO allowance as they are not employees of the MOD; they are civilians. Their employer has agreed with the MOD that a stated element of their contractor's workforce is made up of employees who have accepted a liability to be called out to permanent service if needed.

If called out to permanent service, any childcare support would be considered under the Reservist Award.

Are Royal Fleet Auxiliary (RFA) personnel eligible to claim the PSACO allowance?

RFA personnel are not eligible to claim the PSACO allowance funding as they are MOD civilians.

Can Regular Service personnel on Flexible Service (Restricted Separation) or Flexible Service (Part-Time Working) claim PSACO allowance?

If you meet all of the PSACO allowance eligibility criteria whilst working on a Flexible Service agreement, you will be able to claim the PSACO funding.

Why are MPGS not eligible to claim the PSACO allowance?

This policy captures the needs of those that are most likely to be impacted by mobility and/or deployment which may make it harder for their families to access the wraparound childcare that they require.

Registration

How do Service families register for and claim the PSACO allowance?

To register and benefit from the PSACO scheme, personnel must complete four steps in sequential order.

1. **Record** each child on JPA.
2. **Check** if you meet the PSACO allowance eligibility criteria.
3. **REGISTER** each child and add your childcare provider on JPA in the 'My child allowances: WAC' section and follow the process.

Wait until the registration status of your child shows as 'registered' before continuing to step 4.

4. **CLAIM** up to 20 hours per week, per child. To do this, add the invoice information to the child's record in JPA in the 'My child allowances: WAC' area.

Detailed instructions on how to carry out the actions listed above can be found on the **Step-by-step guides page** in the PSACO area of the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

Important registration note: PSACO allowance claims can only be submitted for childcare used from the effective date shown on your registration. This will be the 1st of the month that you register in, subject to eligibility.

It is the SPs responsibility to supply partner (if applicable) employment evidence quarterly to Unit HR, for eligibility to continue.

How can I check if my child(ren) are recorded on JPA?

To establish if your children are recorded on JPA you should contact your Unit HR.

What is the process if my child is not recorded on JPA?

To be eligible to claim the PSACO allowance, Service personnel must ensure their children are recorded and verified on JPA with a 'yes' in the certificate verified box, your HR department will be able to assist with this.

Employment evidence required for non-Serving partners (if applicable)

Both parents (or sole parent in a lone parent family) must be in paid employment for **either** 16 hours per week **or** they must meet the minimum earning criteria of earning at least the equivalent of 16 hours per week at the [National Minimum or Living Wage](#). Once registrations are submitted, partner employment evidence must be supplied to Unit HR quarterly.

Salary sacrifice childcare voucher scheme

I use the salary sacrifice Armed Forces Childcare Voucher Scheme (AFCVS) to pay for my before and after school childcare, can I claim PSACO funding?

No, if you want to claim the PSACO allowance you cannot use a salary sacrifice childcare voucher scheme to pay for your childcare. This is because the PSACO allowance is paid at 100% of the childcare costs within the capped hourly rates.

Do I need to close my AFCVS account to be able to claim PSACO?

As the Voucher scheme is closed to new entrants, families can continue to keep their AFCVS account open, but they cannot use their vouchers to pay for the before and after school childcare that they want to claim back via the PSACO allowance. Families can use their vouchers to pay for other forms of childcare. In overseas locations the AFCVS can only be used at DCS schools and settings.

If a family has a salary sacrifice childcare voucher scheme account such as the AFCVS and are living in a location where Tax-Free Childcare (TFC) is available, can they continue to use the AFCVS to pay for childcare and then claim WAC?

If the family become eligible for TFC and therefore WAC, to continue to claim for before and after school childcare they must move from AFCVS to TFC. The family must pay for their childcare through the TFC account, and the Serving parent submit their claims as WAC. Families should check which scheme they will be better off claiming before they close the AFCVS account, as once it is closed, it cannot be re-opened.

Providers and rates

What types of providers are included?

Registered providers include:

Schools - Includes registered wraparound childcare provided in a group setting by professionals who are not the child's parent or carer. For example, providers may be run by private companies, nurseries, schools, sports and youth clubs or voluntary organisations such as charities.

Childminders - A childminder is a registered child carer who works with children for more than two hours a day in their own home. This maximum hourly rate also includes registered nannies.

All providers must be registered, regulated and inspected by host nation authorities.
Excludes all types of informal childcare (for example, grandparents, friends, babysitters, etc.).

Our provider is a nanny, can we claim the PSACO allowance?

If you use a nanny to provide before and after school childcare, they must be registered, regulated and inspected by host nation authorities to be able to claim PSACO allowance.

How does the capped rate work?

The capped hourly rates are published in the DIN available on the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#) and will be updated annually. Parents are responsible for the payment of any amount over the capped hourly rate.

Is the rate based on a national average? Costs can vary from area to area, is there an X-factor for the more expensive areas?

The hourly capped rates are set annually using the English average cost of wraparound childcare by provider type as reported the [Coram childcare survey report](#). For the PSACO allowance the hourly rate for school and childminders is set to the Coram average for England and adjusted using the in-country LOA formula.

There is no X-factor for more expensive options. A copy of the rates can be found in the PSACO DIN, search Defence PSACO allowance at [DINs Search](#) (defnet) or [Group: Defence Instruction Notices - DIN's | Defence Connect](#). (Service personnel access only).

The provider costs more than the regional hourly rate, can we proceed?

You can proceed, but you can only claim up to the regional capped rate for the area the provider is located in. Anything over and above this rate, you will have to fund yourself. Claims are calculated on an hourly basis.

Providers and rates

I use multiple providers that charge different rates, how do I work out my claim?

So long as your claim is within the 20 hours per week per child, you can use as many providers as you need. If you use **more than 20 hours** per week per child at multiple providers, you will need to decide which provider hours you are better off claiming for as you may still only claim for 20 hours per child in total.

An example, if you used 25 hours of before and after school childcare per week and your capped rate was £5 per hour. You use 15 hours at provider a (£3.50 per hour) and 10 hours at provider b (£5 per hour). You are using 5 hours more than PSACO funding covers, so you will have to pay for those hours. 5 hours at provider a will cost £17.50. 5 hours at provider b will cost £25. In this example you would be better off submitting the claim for provider b first.

The 'How to Claim the PSACO allowance' document is available as a resource on the PSACO allowance page at [Discover my Benefits](#) (www), and the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#)

Step-by-step guides for registration and claim process are available on the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

My provider does not produce an invoice, how do I claim?

If your provider uses email or an online booking system, screenshots of the sessions booked can be used in place of a formal invoice. The screenshots should clearly show the dates and sessions used.

My child attends school 40 weeks in the academic year can I claim for the extra week?

The length of school year stated in the PSACO allowance policy aligns with the current Government legislation in England. All schools in England are required to meet 190 days (38 weeks) and 5 Teacher Development (TD) days, making it 39 weeks.

Any sessions that go beyond this will need to be covered by the Service parent. A Service parent can decide which weeks to claim for. Therefore, if week 1 has only one day and week 40 has 4 days, claiming week 40 will be most beneficial.

What if my provider is not registered with host nation authorities?

All childcare providers used must be registered, regulated, and inspected by host nation authorities for you to be eligible to claim the PSACO allowance.

If your provider is not registered, regulated, and inspected by host nation authorities, you cannot claim the PSACO allowance.

My child(ren) attend after school sports clubs, are the fees covered by the PSACO allowance?

If the sports clubs take place directly before or after the school day and are registered, regulated and inspected by host nation authorities (for host nation providers) you will be able to claim the PSACO allowance. If parents/carers are required to pick the children up to take them to another location, then this does not qualify as [wraparound childcare](#) and cannot be claimed for via PSACO.

Making a PSACO claim

How are PSACO claims paid?

To make a claim for PSACO funding, you must complete the following five steps in order.

1. **Invoice(s) / proof of costs** are needed from your childcare provider before you can make any claims.
2. **Pay** your childcare provider(s) invoice in full.
3. **Submit** your claim(s) on JPA, in your child's WAC record in the 'My child allowances: WAC' area.
4. **Payments** will be received at the end of the month with salary and are subject to payroll cut-off dates.
5. **Payslips** will show the PSACO credit which includes the 'Grossed-Up' amount to cover the extra tax and National Insurance received due to receiving the PSACO payment.

Detailed instructions on how to carry out the actions listed above can be found on the Step-by-step guides page in the PSACO area of the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

Record keeping – you must keep records of all your paperwork and/or screenshots.

This is because you can be **audited by Defence for up to 2 years later**. Below is a list of records you should keep:

- Invoices (or equivalent that show childcare costs).
- Proof of payment to your childcare provider.
- Partner employment evidence (if applicable).
- Evidence of child receiving UK disability benefits (if applicable).

When can I start to claim the PSACO allowance?

Claims can only be submitted for childcare used from the effective date shown on your child's registration. This will be the beginning of the month in which you register on JPA, i.e. if you register on 20 Jan you can claim for childcare used from 1 Jan (subject to you being eligible from the beginning of the month).

Are we able to claim for more than 20 hours when personnel are deployed or away on exercise?

No, the maximum number of hours that can be claimed is 20 hours per week, per child, during term time only (maximum 39 weeks in a rolling 52-week period).

If my child's school's academic year is shorter than 39 weeks, can I claim the extra weeks of WAC for before and after hours of holiday club?

PSACO funding is for term time only. If your child's school has a shorter academic year you will only be able to claim PSACO for the weeks your child(ren) attend school. The 39 claimable weeks are within a 52 week (1 year) rolling period which will start on the date of the first week of childcare used that is included in your claim.

Making a PSACO claim

The academic year is different in my location than in the UK. When can I claim from?

SP that have registered their children for the PSACO allowance will be able to claim from the 'effective date' stated in their PSACO registration on JPA. No claims can be submitted prior to the launch date of 1 January 2026.

Children must be aged from 4 years old and in full-time Education for SP to be eligible to claim the PSACO allowance.

When a child becomes eligible at the beginning of the autumn term, up to 30 September, the effective date can be set to the beginning of the autumn term, subject to eligibility. This will mean that for families where the autumn term starts before 1 September, the child's effective date can be set to the beginning of the term, subject to eligibility. This can be no earlier than 15 August. Thereafter the effective date will be the 1st of the month that you register in, subject to eligibility.

Up to 39 weeks of before and after school childcare can be claimed (term time only) in a 52-week rolling period. The academic year in your location being different to the English academic year, will not affect your PSACO claims.

The PSACO capped rates are, however, updated annually on 15 August in line with the English academic year. At that time the rates may go up or down and will affect the amount that you can claim.

If at that point you are submitting a claim that spans two academic years, you must submit them in separate claims for each academic year i.e. one claim should include claims information prior to 15 August, and the other for claims information post 15 August.

Can I claim for extras such as food or equipment?

No, only the hours of childcare can be claimed for. If breakfast is an additional cost, but included within the capped rate, this can be claimed for. Where other meals, activities, materials, transport, trips etc.* are a cost on top of the cost of childcare, this is payable by the parent and must be deducted when you complete the claim.

*This list is not exhaustive.

Can I claim the PSACO allowance for future dated childcare?

Claims for up to one term (14 weeks) can be submitted for future dated childcare so long as this has been paid for. For example, if you pay for the spring term (Jan - April) in full at the start of the term, you can claim for the full term in one claim. Please note that JPA only allows claims of up to 39 weeks in a 52-week rolling period. If your invoice for 14 weeks in advance exceeds this, part of the claim may be disallowed. This means you may need to split the claim.

Making a PSACO claim

How do I submit a claim for a previous academic year and ensure the correct capped rate is used?

PSACO claims can only be submitted for childcare used from the effective date shown on the child registration.

When the capped rates are updated annually on 15 August, JPA will apply the correct cap rate according to the provider type, location and invoice date range. If at that point you are submitting a claim that spans two academic years, you must submit them in separate claims for each academic year i.e. one claim should include claims information prior to 15 August, and the other for claims information post 15 August.

Support for expense authorisers/auditors.

Guidance for Unit HR and Audit checkers is available on the PSACO area of the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

The invoice is for an independent school, it includes school fees and before and after school costs. How do I separate this to claim PSACO?

The number of hours and whether it is for before or after school care must be clearly articulated on the invoice. If the invoice is for an independent school, it must be clearly shown as separate to the school fees.

How do I submit a claim for childcare costs that are split into equal amounts over the year?

It is not possible to claim this way.

Parents that pay for before and after school childcare in equal amounts over a set time period (i.e., the whole year of childcare is split into equal payments over a set number of months) should be aware that it is not possible to claim PSACO in this way. Parents that this affects may want to arrange a different type of invoice with their provider, so that they don't lose out on PSACO funding.

The reason for this is:

- If you submitted the invoice amount for the hours provided, the hourly amount will appear lower.
- Pre-claiming for later (expected) invoices would not pass audit.
- When submitting the final invoices for the year, the hours/weeks have already been used.
- When auditing, the auditor would only be able to confirm the correct figures have been claimed, at the end of the year – when all hours, and all expenditure can be identified.

If it is not possible for your childcare provider to amend their invoices to allow payments for the actual number of hours used per week/month/term, please contact the WAC team.

Making a PSACO claim

If I am due to deploy, or deployed without access to JPA and am unable to claim, how long can I backdate my claims for?

Claims can be submitted up to 14 weeks (1 term) in advance.

Claims for childcare used up to 6 months previously can be self-submitted.

Claims for childcare used 6-12 months previously can only be submitted via Unit HR.

Claims cannot be backdated beyond the effective date shown on the child's PSACO registration record, and not beyond 1 January 2026.

Can the non-Serving parent submit a PSACO claim if the Service Person is deployed?

Non-Serving partners are not able to submit PSACO claims as they don't have access to JPA. See question above 'If I am due to deploy or deployed without access to JPA and am unable to claim, how long can I backdate my claims for?'.

If I don't use 20 hours for one child but use more than 20 for another, can I use one child's hours for another?

Yes, as long as your claim is within the 20 hours limit per child. For example, if you have 2 children the maximum number of hours that you can claim for is 40 per week, you can split those hours between the children, so if one needs 15 hours and the other needs 25 you would be within the 40 hours maximum funding for 2 children. Children that are registered for certain Government benefits will receive up to double the capped hourly rate for a maximum of 20 hours (they can use hours that are not being used by a sibling, but they will be paid at the standard capped hourly rate). However, if you don't use the maximum hours one week, you cannot carry hours over to the following week.

Can I claim the PSACO allowance upfront before paying the childcare provider?

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

If my child attends before and after school childcare for more than 20 hours per week, do I put the full hours that I am paying for into the JPA claim or do I just enter 20 hours?

The claims information entered into JPA must match the information on the invoice/online booking. If your child attends for more than 20 hours per week, you must enter the number of hours that you have paid for, JPA will work out the payment based on the number of hours you have paid for and the capped hourly rate for the provider location. If you are audited, the information that you have supplied for your claims must match the information provided on your invoice/online booking.

Documentation to be kept for 2 years in case of audit

The following must be kept as evidence for audit for 2 years from the date of claim:

- Invoices (or equivalent).
- Proof of payment to provider.
- Partner employment evidence (if applicable).
- Evidence of child receiving UK disability benefits (if applicable).

Making a PSACO claim

What should be included on my claim?

Claims should be for the hours/sessions booked and paid for. If a child doesn't attend due to sickness or unavoidable last-minute change of plans, this can be claimed for, however parents should not block book sessions that they don't intend to use as this reduces availability for other parents that plan to use those sessions.

Please follow Self Service User Guide 'Primary School Aged Childcare Overseas (PSACO) Costs – Claim IN506046' which explains how to submit your claim in JPA. This can be found on the PSACO area of the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#)

When does the 39 weeks claim window start?

The allowance is for 39 weeks in a rolling 52-week (1 year) period. The 39-week term time only allowance will start on the date of the first week of childcare used that is included in your claim.

Suggested good practice – keep a log of the weeks and hours that you have claimed for so you can check that you haven't previously submitted those hours. A template log can be found under PSACO FAQs and resources on the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

Payments

How do I withdraw a claim that I have submitted?

Claims can be altered in JPA prior to submission. If you have submitted the claim and you realise an error has been made, you will need to contact your Unit HR to withdraw the claim, and it will need to be submitted again.

When will I receive my PSACO payment?

Claims will be reimbursed at the end of each month within the Service person's salary. Claims will need to be submitted and approved (if required) by the payroll cut-off date to be paid within the next salary payment. Claims submitted after the payroll cut-off date will be reimbursed within the following month's salary.

When are the payroll cut-off dates?

Payroll cut-off dates can be found on the [JPA Portal](#) on defnet (Service personnel access only).

Why is the total reimbursable amount showing on my claim £0?

Normally when JPA returns nil payment it can be explained by one of these reasons:

- The child was not registered for this time period.
- A claim has already been submitted for this time period. Please check previous claims to ensure that you have not already claimed hours against these weeks.
- You have submitted the maximum 39 weeks of claims within the 52-week rolling time period.
- The child has disappeared from your PSACO record due to an end date being added for the child, or a duplicate record being created for the child in your JPA record. In this case the claim can still be submitted but would be paid at £0.
- The hours have already been used for one of your other children.

This list is not exhaustive, these are the reasons that most commonly occur.

Why is JPA not allowing me to claim for 20 hours of funding for my child?

This is usually because a claim has already been submitted for this time period, so JPA is capping your entitlement at 20 hours per child per week. Please check previous claims to ensure that you have not already claimed hours against these weeks.

Suggested good practice – keep a log of the weeks and hours that you have claimed for so you can check that you haven't previously submitted those hours. A template log can be found under PSACO FAQs and resources on the Defence Childcare Information Page on [defnet](#) and [Defence Connect](#).

Change in eligibility / circumstances

Do I need to re-register for PSACO at the beginning of each academic year?

You do not need to re-register at the beginning of each academic year. Your PSACO registration will remain on JPA until you chose to de-register, or the child is automatically de-registered when they reach the upper age limit.

If I change providers, who do I need to inform?

You do not need to inform anyone, but you must update your provider information on your child's PSACO record in JPA.

To add or remove a provider, go to the self-service section of JPA, within the 'My Child allowances: WAC' area and select the provider tab. You can add new providers, de-activate providers (this is useful if you will return to the area and plan on using the same provider in future). Once they have been selected for a claim, providers remain as part of your claim history and cannot be deleted.

How do I de-register from the PSACO scheme?

In the self-service section of JPA, within the 'My Child allowances: WAC' area, there is an option to 'de-register' a child in their individual record.

Children that reach the upper age limit for PSACO will be automatically de-registered.

If a Service person deploys and a partner has to give up work, will eligibility for the PSACO allowance stop?

The entitlement would stop; not because the Service person is deployed, but because both parents must be working (or taking up work in the next 31 days). Generally, were the Service person to be deployed, they would continue to be eligible to take part in the scheme so long as their partner continues to **either** work at least 16 hours per week **or** earn the equivalent of 16 hours per week at the [UK National Minimum or Living Wage](#).

If our circumstances change and we no longer meet all the eligibility criteria, who do we inform?

Service personnel must stop claiming PSACO if there are any changes in circumstances which result in the Service person or any member of the household no longer being eligible for PSACO. If the family no longer meets the eligibility criteria, the Service parent will need to de-register from the scheme. You will find the de-register option on the child's registration record in JPA. If Service personnel knowingly submit a fraudulent claim, they will be subject to administrative or disciplinary action.

Leaving the PSACO scheme

If I join the PSACO Scheme and then get relocated to an eligible WAC location overseas, or become eligible for WAC in my current location who do I need to inform?

If you are assigned overseas to a location within the EEA&S or location where you use a DCS provider, and you meet the WAC eligibility criteria you must stop claiming PSACO and amend your child registration, you can then start claiming WAC instead of PSACO.

To amend this, you need to:

- Apply for a Tax-Free Childcare (TFC) account for your child.
- Navigate to child registration within the 'My child allowances: WAC' area of JPA
- Enter the effective date of your change in eligibility
- Change the 'scheme' drop down box from PSACO to WAC (inc WAC Overseas)
- Enter your Tax-Free Childcare number.

This will trigger a re-registration.

- If you remain with the same provider - check that the provider 'Country/County/Scheme' states WACO.
- If you are registering a new provider, ensure the provider 'Country/County/Scheme' states WACO.

For full details of WAC eligibility, search WAC allowance at [DINs Search](#) (defnet) or [Group: Defence Instruction Notices - DIN's | Defence Connect](#). (Service personnel access only).

What happens when the Service person leaves the Armed Forces?

If the Service person is medically discharged, voluntarily leaves the Armed Forces or is dismissed from Service, eligibility stops on the last day of Service. Where the last day of Service falls outside of term time then the PSACO eligibility will end at the last day of term prior to the last day of Service. The last date that PSACO can be claimed is the last day of term. Claims must be submitted prior to the last day of Service.

If a Service parent dies in Service, will child(ren) remain eligible?

In the event of the death of a Service person the Service person's child(ren) who are in receipt of PSACO would remain eligible for 12 weeks from the date on which the Service person died. There will be no new entitlement for any child(ren) who are not already in receipt of PSACO when the Service person died. The amount and method of payment will be determined on a case-by-case basis as casework by the policy team.

Complaints

Is there a complaints process?

All complaints are to be raised to the policy team in the first instance.

Should a Service person wish to make a complaint please refer to Annex F of the 'PSACO allowance' DIN, which provides details of the full complaints process. Search Defence PSACO allowance at [DINs Search](#) (defnet) or [Group: Defence Instruction Notices - DIN's | Defence Connect](#).

Please note, complaints must be sent by the Serving parent from an MOD email address. Complaints received from non-Serving parents will not be actioned.