***Adults & Children’s Financial Services***

***Financial Guidance and Information for Foster Carers***

Foster carers are regarded as self-employed, therefore there is a specific tax scheme foster carers can use called “qualifying care relief”. The qualifying care relief scheme calculates a tax threshold unique to the fostering household which determines if you must pay any tax on your fostering related payments.

The guidance is to retain all financial information including remittances, receipts etc… for approximately 6 years. Adult and Children’s Financial Services are a transactional team and cannot advise on any accounting or HMRC related issues.

For further information please visit the HMRC web site for foster/kinship carers [HS236 Qualifying care relief: foster carers, adult placement carers, kinship carers and staying put carers (2024) - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/qualifying-care-relief-foster-carers-adult-placement-carers-kinship-carers-and-staying-put-carers-hs236-self-assessment-helpsheet/hs236-qualifying-care-relief-foster-carers-adult-placement-carers-kinship-carers-and-staying-put-carers-2024)

Or check out the Fostering Networks FAQs on tax [read our tax FAQs](https://www.thefosteringnetwork.org.uk/advice-information/finances/tax-faqs)

**Payments**

When you have a child placed, you will receive a payment called “child element”, this is exclusively for the child and is made up of the following: -

**Food – Clothing – Transport** *(includes all normal family mileage to see friends, attend clubs, routine doctors/dental appointments)* **– Personal/Household** *(includes toys and toiletries as well as leisure activities such as swimming, gymnastics, and other activity groups)*

Carers can also receive a fee payment depending on knowledge; competency and experience they have. As self-employed this payment is not classed as a “wage”, it is a fee paid for services provided.

For further information please refer to the Foster Carers Handbook

[Introduction (fosterforstaffordshire.co.uk)](https://www.fosterforstaffordshire.co.uk/foster-carers-handbook/home.aspx)

**Overpayments**

We respectfully request you to contact Adult and Children’s Financial Services on the following email [fosteringpayments@staffordshire.gov.uk](mailto:fosteringpayments@staffordshire.gov.uk) as soon as a child leaves your care.

Please mark your email as **“urgent discharge of placement”** and include the date that the child/ren left your care, the child/ren’s initials and the reference number if available. Adult and Children’s Financial Services will provisionally end your finances and verify the information before the service is discharged.

If for any unforeseen reason you are overpaid, you will be required to repay the Local Authority in full. Adult and Children’s Financial Services will recoup the over payment from your continuing fostering payments subject to funds being immediately available.

If there are extenuating circumstances Adult and Children’s Financial Services, with the authorisation of the Head of Service for either Fostering, Adoption and Kinship, will consider approving a repayment plan. **This will be at the rate of 50% of the fostering payment that is made to you each fortnight.**

If you do not have any children placed, an invoice for the over payment will be posted/emailed, you can follow the instructions on the invoice to pay the owed money or contact [payments@staffordshire.gov.uk](mailto:payments@staffordshire.gov.uk) if you are struggling financially to set up a payment plan. Once an invoice is sent, Adult and Children’s Financial Services no longer hold the debt, any queries in the 1st instance should be with your supervising social worker.

Please be reminded, overpayments are not to be used personally and should remain in your account for repayment in full. Please check your remittance every fortnight, so you are aware when you have been overpaid.

**Children in Care - Long Term savings**

This is for children who have been in care over 12 consecutive months.

Whilst Adult and Children’s Financial Services will facilitate this payment that’s filtered into the holding account for the savings and make the deduction from the carer, we do not hold or have access to the savings accounts. For further information please ask your supervising social worker to contact the Childrens Savings Scheme Team or email [childrenssavings@staffordshire.gov.uk](mailto:childrenssavings@staffordshire.gov.uk) .

For any further information please refer to the Foster Carers Handbook and the following documents included in this pack.

* Adult and Children’s Financial Services – Pay runs explained
* Remittance Guide
* FAQ’s
* Payment dates

*\*\*all of the above will be updated regularly\*\**