



Childminding

Guidelines on Planning a Childminding Business in your own home



This document has been developed by the Childminding Development Officer Team, September 2020.

The Childminding Development Officers provide support to the local City and County Childcare Committees to work with existing and potential childminders to deliver a high-quality early learning and care and/or school age service to meet the requirements of individual children, families and communities.

The Childminding Development Officer team would like to acknowledge that the material in this pack has been adapted from resources previously developed and published by the City and County Childcare Committees (CCCs) and Tusla.

Disclaimer:

The Childminding Development Officers have made every effort to ensure that all the information included in this publication is accurate and correct. However, under no circumstances will the board of any City/County Childcare Committee be liable in respect of any error(s), omissions, typographical errors or incorrect information therein.

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CONTENTS

Introduction.....	4
What Knowledge, Experience and Qualifications do you need?.....	5
Legal Requirements	6
How many children can you mind?.....	8
Deciding a price	9
Income and Expenditure.....	10
Marketing your Childminding service	13
Childcare Services Relief	14
Registering as a self-employed Childminder.....	16
PRSI & Pensions for the Self-Employed.....	16
Registering for tax if you do not qualify for the Childcare Services Relief.....	18
Steps to become a Professional Childminder.....	21
Useful Contacts.....	22

INTRODUCTION

In deciding to operate a childminding business from your home it is essential that you embark on your childminding career with a strong business sense. This approach will have added benefits for you in terms of the professionalism of your service and the potential financial returns for your work. Running your own business involves responsibility and risk with the goal of achieving reward for your effort. You can greatly increase the likelihood of success by forward planning and accessing advice and mentoring from others in the early learning and care (ELC) and school-age childcare (SAC) sector.

As a professional Childminder operating a childminding service with a strong business sense:

- You are in a better position for negotiation on payment and conditions with parents/guardians
- You can apply for funding towards your business
- You can keep track of your income and expenditure
- You may be eligible for a €15,000 tax exemption on your childminding earnings
- You can operate in a confident and professional manner and treat childminding as a professional career choice
- By operating within the formal economy, the risk of being reported is eliminated facilitating you to promote your business in your local area
- You have the opportunity to make your own PRSI contributions which may entitle you to a contributory state pension and other entitlements

As with any new business it is worthwhile considering doing a start your own business course to get acquainted with the details of managing your accounts, keeping track of expenditure, marketing your service etc.

WHAT KNOWLEDGE, EXPERIENCE AND QUALIFICATIONS DO YOU NEED?

In Ireland ELC/SAC services adhere to the Child Care Act 1991 (Early Years Services) Regulations 2016 & Child Care Act 1991 (Early Years Services) (Registration of School Age Services) Regulations 2018. ELC/SAC services including some Childminders (those intending caring for 7 or more children of any age, or 4 or more pre-school children) must meet certain requirements specified in these regulations. Under these regulations an appropriate qualification in childcare (QQI Level 5) is also required if caring for 4 or more preschool children.

Any childcare experience you already have, including experience as a parent, will benefit you greatly in informing you on how to work with children and families. However, it is also important to consider the financial and business end of the childminding service. Discuss all aspects of your childminding business with your family and access the supports available from the Development Officers in your local City/County Childcare Committee.

Refer to the following:

- A Guide to Becoming a Childminder
- [Child Care Act 1991 \(Early Years Services\) Regulations 2016](#)
- [Child Care Act 1991 \(Early Years Services\) \(Registration of School Age Services\) Regulations 2018](#)
- [Quality & Qualifications Ireland](#)

LEGAL REQUIREMENTS

Legal structure:

In most instances, childminding businesses operate as Sole Traders. This means the business is owned and run by one person, you the Childminder.

Consider the following points:

- Register as a self-employed Childminder by completing and returning the registration form (TR1 form) to the [Revenue Commissioners](#)
- There is a tax exemption called the Childcare Services Relief in place for Childminders earning less than €15,000. (see page 13)
- To be eligible for the tax exemption you must notify your childminding service to your local City/County Childcare Committee
- If you intend caring for 4 or more preschool children / children not yet attending National School or if you intend caring for 7 or more children of any age you are required under the Early Years Services Regulation 2016 and the Registration of a School Age Service Regulations 2018 to register your service with [Tusla](#)
- Insurance is required for all childminding services, check details of cover available with your home insurance broker or specific childminding insurance providers. Further information is provided in the 'Guide to Becoming a Childminder'
- If you are in receipt of social welfare payments find out what the cut off points for payments are and discuss your childminding business plan with your local DEASP office
- If you are using existing rooms in your home for childminding up to 6 children, you do not require planning permission. However, planning regulations do come into effect if you are changing use of existing premises, e.g. garage or building an extension or if you care for more than 6 children. If this is the case, you should contact the planning department of your local County Council and liaise with your local CCC Development Officer for support
- Childminding in the family home is usually exempt from rates but it is useful to check this with your local County Council
- If you live in Local Authority Housing or rented accommodation clarify conditions of your tenancy before setting up a childminding service

Refer to the following for further information:

- [Citizens Information Centre](#)
- [Child Care Act 1991 \(Early Years Services\) Regulations 2016](#)
- [Child Care Act 1991 \(Early Years Services\) \(Registration of School Age Services\) Regulations 2018](#)
- [Revenue information](#)
- [Local Enterprise Office](#)
- [Social welfare](#)

Record keeping:

It is good practice for all Childminders to have a clear method for recording information on a range of issues relating to your business.

All Registered and Voluntary Notified Childminders are required to keep records on attendance, medicine administered, any accident/ incident forms etc. Parents should be aware of the records you maintain on their children and records like the medicine administration, incident / accident form etc should also be signed by parents. It is good practice to give parents a copy of these forms for reference. All records should be stored safely. For a comprehensive sample of record forms ask your CCC for the support document 'Childminding Sample Record Keeping Forms'.

In addition to childcare records it is also advisable to keep a good record of all financial transactions involving your business. Samples are available from the Enterprise Boards, County Childcare Committees etc.

Refer to the following for further information:

- Childminding Sample Policies & Procedures
- Childminding Sample Record Keeping Forms

HOW MANY CHILDREN CAN YOU MIND?

This is an important decision and is affected by many issues.

- The Child Care Act 1991 (Early Years Services) Regulations 2016 state that a single-handed Childminder should look after no more than 5 preschool children including your own preschool children
- Child Care Act 1991 (Early Years Services) (Registration of School Age Services) Regulations 2018 state that a Childminder who does not care for any pre-school children, care for no more than 12 school age children at the same time
- Safety and child welfare issues must override all other aspects of running a successful and profitable childminding business. Consider also how many children you can take care of at any one time where all your attention and energy can be devoted exclusively to minded children
- The free Preschool Year in Early Childhood Care & Education (ECCE) can be offered by participating childminders. There are a number of requirements including QQI level 6 accreditation, TUSLA registration & DCYA approval
- Childminders who are registered with Tusla can participate in the National Childcare Scheme [\(NCS\)](#)
- If you are a parent, how many children do you have, what are their ages?
- Are your own or minded children attending an ELC/SAC service, national school etc? Do you have to do school pick-ups or drop off?
- What ELC/SAC services are already operating in your area?
- Parents often require childcare for part time hours so you must keep track of your schedule. Will there be times when you have a greater number of children at any one time?
- What number of children will your insurance cover cater for? Remember your own children are often counted in the ratios for insurance purposes

Please refer to the following:

- Details of the ECCE scheme available from the [Department of Children & Youth Affairs](#)
- [National Childcare Scheme](#)

- [Child Care Act 1991 \(Early Years Services\) Regulations 2016](#)
- [Child Care Act 1991 \(Early Years Services\) \(Registration of School Age Services\) Regulations 2018](#)

DECIDING A PRICE

The price you charge for your childminding service is closely associated with the quality and credibility of your childminding service and will in the end determine your own salary. Prices do not stay the same so plan your increases according to needs and let parents know well in advance. What you charge is up to you. The following factors need to be considered:

- It is important to realise that your household expenditure will increase
- Do you have a preference to mind babies, preschool or school going children? Generally, parents of babies and preschool children will require childminding services for longer times of the day
- What are the existing prices for childminding in your area?
- Remember as an individual Childminder you are free to negotiate a fee with parents based on your individual childminding service being offered. However, it is important that it remains affordable for parents
- What is special about your childminding service? What added benefits can you offer children and parents?
- Prices should be established according to the quality of the service you offer. As a Childminder you should think about the expenses incurred. Please refer to income and expenditure section overleaf

Refer to the following:

[Childminding Ireland](#)

INCOME AND EXPENDITURE

Consider the following issues when setting up a new childminding service to maximise the profitability of your service.

Income:

If you are a parent of young children, you will save money by not paying someone else to care for them. However, will the childminding service be viable / feasible from an economic standpoint? Are you solely dependent on income from childminding? As a self-employed person you will have no income until you are minding children. If it takes a month or two to get established as a Childminder - how will you pay bills in the meantime?

The following factors will affect your income:

- Decide how many children you can care for at any one time
- What will your operating hours be? Can you offer part-time, full-time, or drop-in care?
- Will you be available early in the morning or later in the evening? Do you wish to offer overnight / weekend childcare if required?
- Decide if you will offer a discount for more than one child from the same family
- You will need to consider whether you will charge for bank holidays (9 annually), holidays, absence due to illness, settling in period, extended absences etc
- Can you do pre-school / school drop offs or pick-ups?
- Who provides meals (breakfast, lunch & snacks) for the children?
- Do you require parents to pay in advance by cash, cheque, electronic funds transfer or direct debit?
- Will you use a Childminding contract with parents to negotiate fees? How much notice do you require before a parent leaves your service?
- Clarify with parents how long the child will be absent from your service during any extended absences e.g. maternity or parental leave, school holiday periods etc and discuss the possibility that you might take on additional children during this period

- It is advisable to write down your fee policy and keep a record of what you agreed with parents so you can refer to it. Having a Contract between Childminder and Parent can assist you to agree and maintain your fee structure with parents. Remember the Childminder and Parent contract should be reviewed regularly. Communicating with parents on a regular basis about fees and charges, planned absences or any other changes to your childminding service can minimize misunderstandings (see sample contract in Childminding Sample Record Keeping Forms)

Expenditure:

- Are you insured to childmind in your home and carry minded children in the car? Your home insurance company may cover you for childminding a small number of children in the home at no additional cost but check that you are completely satisfied with the cover offered
- What childcare equipment do you require? If you are minding babies you will need a variety of equipment including steriliser, cot & blankets, highchair, buggy (double?), changing mat etc
- What safety measures will you need to take in the home? Think about the need for stair gates, fire guards, fire safety items, first aid kits, secure outdoor play area? Have you an area where you can change nappies, put small children down to sleep etc
- Do you have sufficient car seats & seat belts to accommodate all the children safely in the car?
- Have you a good selection of games & activities for children of all ages for both indoor & outdoor play?
- Do you have adequate storage for toys & equipment?
- Your household bills will increase so consider ongoing costs like:
 - Food
 - Heat & light
 - Water
 - Telephone
 - Insurance
 - Petrol / diesel
 - Extra refuse, cleaning products etc

- Childcare training & resources
- Childcare equipment & toiletries
- Arts and craft materials
- Accountancy fees
- PRSI contribution
- Advertising
- Outings
- Optional gifts for children (birthday, Christmas, Easter eggs, parties)

MARKETING YOUR CHILDMINDING SERVICE

Until you let people know you are childminding you will have no business. How do you plan to sell your childminding service to families? How will you present the service as an attractive, high quality and practical option for families? What can you offer parents that compliments or supplements what is already available in the area?

Identify the methods of advertising, which shall be used such as:

- Your local City/County Childcare Committee's Directory of ELC/SAC Services
- Advertisement in your local newspapers
- Posters in local businesses
- Door to door leaflet drops
- Poster in local ELC/SAC services and national schools
- Parent and Toddler groups
- Social Media Platforms
- Community Notice Boards
- Talk to other Childminders at events organised by your local City/County Childcare Committee
- Meet your Public Health Nurse
- Tell all your friends, neighbours, family about your new childminding service

CHILDCARE SERVICES RELIEF

- The tax exemption applies only to Childminders who are self-employed. Therefore, you **must** register with Revenue as a self-employed Childminder to avail of the tax exemption.
- The childminding services must be provided in your own home.
- You may mind up to 3 children (under 18 years) at any one time, excluding your own children. A Childminder could, conceivably, mind 3 children in the morning and 3 different children in the afternoon and still qualify.
- The tax exemption applies to gross annual income from childminding and must not exceed the limit of €15,000. Gross income is all childminding fees received from parents within the year without taking account of any expenses incurred in running your childminding service.
- The tax exemption ensures that as a qualifying Childminder, you will have no income tax liability and also that your entitlement to the home carer's allowance, mortgage interest relief, and principal private residence relief is not affected. Income to which the tax exemption applies will not be taken into account in determining entitlement to capital gains tax relief on gains from the disposal of your home as a principal private residence.
- You will be liable to pay PRSI @ 4% on your income (or a minimum €500) provided your income is €5,000 or more in a tax year and this payment will be a contribution towards your Class S benefits. (See more information on next pages). (These figures are subject to change)
- Keep a record of the fees received from childminding; a weekly record in a diary or open a specific bank account and lodge all fees received. Using a cheque book to pay for specific items for your childminding service is considered good business practice.
- Childminders earning less than €15,000 per annum are not liable for the Universal Social Charge
- If a Childminder is married, he/she can choose to be either separately assessed or jointly assessed. It is usually more beneficial to be jointly assessed as any of the Childminder's unused 20% tax band and [Single Person's] tax credit can be utilised by the higher earner. If a Childminder chooses to be separately assessed, then he/she utilises his/her own tax credits and any unused tax credits are lost (**it is recommended that you seek professional advice on this**).

How to apply for the childcare services relief:

- Notify your service to your local City/County Childcare Committee. You may receive a certificate/ letter of notification, this should be kept on file for future reference.
- Register online with ROS or contact the local tax office for a form TR1 to register as a self-employed Childminder. (This form is also available to download on www.revenue.ie - go to forms and registration forms)
- To ensure you avail of the tax exemption, you must submit an Income Tax Return (form 11) each year and claim the childcare services relief on the Tax Return. You will need to confirm that your service is notified and confirm your total childminding income for the year of claim is less than €15,000. Where a couple are being jointly assessed when submitting a form 11 please ensure that the section being completed by the Childminder indicating exempted income includes the Childminder's PPS number.
- As a self-employed Childminder you will be required to pay Class S PRSI @ 4% (or a minimum €500) provided your income is €5,000 or more in a tax year and this payment will be a contribution towards your Class S benefits – Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension, Guardian's Payment (Contributory), State Pension (Contributory), Maternity and Paternity Benefit, Job Seekers Benefit (self-employed), Adoptive Benefit, Treatment Benefit (Dental, Optical and Aural). Class S PRSI does not provide cover for any other schemes / benefits. PRSI due on certain tax-exempt income will be included in the Income Tax assessment for the relevant tax year. This means that €500 should be paid when filing the tax return. **Failure to pay this could affect your State Pension entitlements.**

Please note:

If a Childminder does not apply for the childminding tax exemption or is earning over €15,000 gross per annum, then the income is fully taxable. However, in this case, a Childminder can deduct a variety of expenses which he/she may have incurred in earning that income i.e. toys, equipment, insurance etc.

REGISTERING AS A SELF-EMPLOYED CHILDMINDER

To complete the appropriate forms, you must have a Personal Public Service Number (PPS Number). To register as a self-employed Childminder you need to either register on [Revenue on-line](#) or complete the appropriate registration form ([Form TR1](#)) and submit this to Revenue. This form is for Individuals / Sole Traders, Partnerships, etc., and is used to register for:

- Childcare services relief (tax exemption) or if applicable income tax
- Employer's PAYE/PRSI
- VAT (if applicable)

Please Note:

If a Childminder is married, he/she can choose to be either separately assessed or jointly assessed. It is usually more beneficial to be jointly assessed as any of the Childminder's unused 20% tax band and [Single Person's] tax credit can be utilised by the higher earner. If a Childminder chooses to be separately assessed, then he/she utilises his/her own tax credits and any unused tax credits are lost.

PRSI & PENSIONS FOR THE SELF-EMPLOYED

Class S PRSI applies to self-employed people. For Childminders earning over €15,000, the PRSI contribution will be €500 or 4% of taxable income, whichever is the greater.

What are the benefits of paying PRSI?

- Widow's/Widower's or Surviving Civil Partners (Contributory) Pension
- Guardian's Payment (Contributory)
- State Pension (Contributory)
- Maternity and Paternity Benefit
- Job Seekers Benefit (self-employed)
- Adoptive Benefit
- Treatment Benefit (Dental, Optical, Aural)

Personal Pension Provision

If you are self-employed, you may provide additional income in your retirement by saving via a PRSA or a Personal Pension Plan.

What is a PRSA (Personal Retirement Savings Account)?

A PRSA is a long-term savings account designed to assist people to save for retirement. Anyone can contribute to a PRSA i.e. self-employed, employed, unemployed, home makers, carers. A list of approved PRSA providers and their products can be obtained from the Pensions Board. A Childminder can pay contributions to a PRSA directly. Tax relief is granted on contributions to a PRSA.

What is a Personal Pension Plan?

A Childminder (self-employed person) may take out a Personal Pension Plan with an insurance company. This is an individual contract between you and the insurance company. You pay contributions direct to the insurance company. Tax relief is granted on your contributions to a personal pension.

Please refer to the following:

- Queries relating to PRSI can be made to the PRSI section, Department of Employment Affairs & Social Protection on 051 356000.
- For further information on PRSA's contact The Pensions Board on (01) 6131900.

REGISTERING FOR TAX IF YOU DO NOT QUALIFY FOR THE CHILDCARE SERVICES RELIEF

- Register online at www.ros.ie
- Complete the form TR1
- You are obliged as a Childminder to keep financial / accounts records. You must keep full and accurate records of your business from the start
- Complete a tax return (form 11) at the end of the business year
- Married Childminders should consider if joint assessment or separate assessment is more beneficial to them

What records must you keep?

- All purchases of goods/services
- All moneys received and paid out
- All relevant documents such as invoices, bank statements, cheque stubs, receipts, etc., should also be retained
- Any expenses incurred in the running of your business must be wholly and exclusively for the purpose of your business
- Your business takings (income): these should be recorded in a cashbook/excel sheet as and when you receive payment. You could also issue receipts for payment received
- It is easier to keep records if you pay your business expenses by cheque or direct debit
- Lodge your money on a regular basis and ensure it always balances with your cashbook/excel sheet
- All items of expenditure: telephone, rent, ESB, insurance, heating, motor expenses, childcare equipment & materials etc.
- It is recommended that you receive payment by cheque or standing order as then you have a record of fees received. This record is required when preparing your accounts, evidence of fees if you are claiming loss of income under insurance policy or to negotiate with banks

You must keep your financial records for six years unless Revenue advises you otherwise.

Paying your Income Tax:

You must pay Preliminary Tax on or before the 31st October of each year, except in your first year of business. Preliminary tax is an estimate of your tax due for the current year. Although you are paying tax in October for the current year you have 3 options from which to choose:

Pay 90% of your final tax bill for current year

OR

Pay 100% of your previous year's tax bill

OR

Pay 105% of your final tax bill for the year before last, if paying by direct debit. (This option is only available in your 3rd year of business)

Universal Social Charge (USC)

You do not pay the USC if your total income for a year does not exceed €13,000. **The USC does not apply to Childminders who are eligible to claim the Childminders Tax Relief of €15,000 per annum.**

Self-employed Childminders will make a payment of USC along with their preliminary tax payment and any balance will be collected when the final assessment issues. USC is payable on gross income after relief for certain capital allowances, but before relief for pension contributions. Gross income is determined after deduction of legitimate expenses directly associated with the performance of the trade.

See [Tax Credit, Allowances and Relief information](#) for additional information.

Expenses That Can Be Offset Against Tax

As a Childminder all or a portion of the following expenses can be offset against income for taxation purposes:

Registration fee	To Tusla (full amount)
Membership	To relevant bodies e.g. Childminding Ireland (full amount)
Premises/charges	Rent (not mortgage), repairs, general maintenance, replacements and refurbishment (portion)
Insurance	Specific childminding insurance, specific car insurance (full amount)
Telephone	Business specific phone (full amount), otherwise a portion
Equipment	Any equipment required to meet statutory regulations, cots, buggies, playpens, highchairs, stair gates, fire extinguishers/fire blankets, sterilisation equipment, toys etc. (full amount) Capital costs: written off at 12.5% per year
Services	Heating, light, cooking, phone – (portion)
Play materials	New books, arts & crafts materials, paper, paints etc (full amount)
Cleaning materials	Cleaning products, soaps, toiletries etc (portion)
Food	Portion of the household food costs
Furniture & Fittings	Repair, refurbishment, additional wear and tear (portion)
Transport	Mileage allowance (portion)
Training	Course fees, textbooks, training materials, travel, and subsistence (portion)
Marketing	Advertising costs (full amount)
Secretarial	Expenses involved in keeping records and accounts, computer equipment, stationery, and other office requirements (full amount)
Accounts	Book-keeping/accountants fees (full amount)
Staff	Payment to childcare assistant, contract cleaner, window cleaner, garden maintenance (full amount)

For further information please contact the following:

- [Department of Employment Affairs & Social Protection](#)
- [Contact your Local Development Company Enterprise Officer](#)
- [Contact the Case Officer in your local Social Welfare Office or Intreo Centre](#)

STEPS TO BECOME A PROFESSIONAL CHILDMINDER

- ❑ Contact the Development Officer in your local City/County Childcare Committee.
- ❑ Participate in Continuous Professional Development (CPD) such as First Aid, Children First E-Learning programme and CPD resources available on [First 5](#)
- ❑ Arrange a support visit (where applicable) to access advice on the physical layout and set up of the service.
- ❑ Organise 2 written references and take copies to share with potential parents.
- ❑ Organise insurance cover.
- ❑ Develop your own Childminding Policies & Procedures by consulting the samples available in the 'Childminding Sample Policies & Procedures'.
- ❑ Develop your own Childminding Record Keeping system by consulting the samples available in the 'Childminding Sample Record Keeping Forms'.
- ❑ Complete and return the Voluntary Notification Form to your local CCC.
- ❑ If required to do so, register your childminding service with Tusla.
- ❑ Register your new childminding business with Revenue.
- ❑ Decide on your fee policy and preferred hours of work etc.
- ❑ Request that your contact details be included in your local CCC Directory of ELC/SAC Services.
- ❑ Participate in organised childcare networks to meet other Childminders.
- ❑ Design a flyer and place in your local supermarket, library, parent & toddler group preschool / school etc.
- ❑ Place advertisement on social media platforms or in the local newspapers.

USEFUL CONTACTS

XXXX County Childcare Committee

Tel:

Email:

Website:

Pre School Services Office

Tusla Child & Family Agency

Tel:

Website:

Planning Office

XXXX County Council,

Tel:

Website:

Citizens Information Centre

Tel:

Website:

Local Enterprise Office

Tel:

Website:

Childminding Ireland

9 Bulford Business Campus,

Kilcoole,

Co. Wicklow

Tel: 01 287 8466

Website: www.childminding.ie

Revenue

Tel:

Website:

Department of Employment Affairs and Social Protection

Tel:

Website: www.welfare.ie