



Can you claim up to £10,500 in Employment Allowance ?

When you setup the payroll with Nannywage Ltd

We act on your behalf to save you up to £10,500 per year on your employment costs.

From 6 April 2025, employers of care and support workers, **this includes domestic workers such as nannies** who are employed to look after any of the five categories below, can claim the new tax year Employment Allowance. They can reduce their Employer NICs bill by up to £10,500 a year, depending on how much Employer NICs they pay. The Employment Allowance is not a grant: it works by reducing the amount of employer NICs you need to pay.

I employ a care and support worker. Can I claim the Employment Allowance?

You can claim the Employment Allowance if you are an employer and you pay employer NICs

You employ a care and support worker, either for yourself or another person. If you employ a carer for someone else, you do not need to be related to them or live with them.

The person you are employing the care and support worker for needs care because of their:

- (a) old age**
- (b) mental or physical disability,**
- (c) past or present dependence on alcohol or drugs,**
- (d) past or present illness,**
- (e) past or present mental disorder.**

Check your eligibility at www.gov.uk/claim-employment-allowance

How to claim the Employment Allowance.

E-mail Nannywage Ltd (info@nannywageltd.co.uk) of your circumstances and that you qualify and we will claim on your behalf. Please include in the e-mail your surname and client reference number

In addition, **all** of the duties of the care and support worker have to be in relation to the individual(s) who needs care. So the care and support worker cannot help out with others in the home who do not *need* care.

What this all means

If you are employing a care and support worker for someone who needs care because of one or more of the reasons set out above, and all the duties of the care and support worker are in relation to the person needing care, then **you can claim** the Employment Allowance for as long as they need care.

You can claim the Employment Allowance:

If you receive a direct payment for care from the NHS or your local authority and you use this to employ care and support worker. This type of care worker is also sometimes known as a Personal Assistant.

If you employ a care and support worker and pay for this yourself, from your own funds.

If you employ a care and support worker for yourself, a family member, or someone completely unrelated

Duties of the Care and Support Worker

The care and support worker can do anything that you need help with. This could be anything from personal care to general assistance round the house with cleaning, cooking and laundry, or help with financial administration such as tax credits.

The care can be provided anywhere, you can employ a carer to support family or friends who do not live with you and claim the Employment Allowance. The care does not need to be provided in the home, you can employ a carer to help at work, accompany you to day care or appointments & claim the Employment Allowance.

You cannot claim the Employment Allowance if you are employing a nanny unless the nanny is employed for an individual who needs care because of one of the reasons set out above.

FAQ's

I need to employ a carer because of a long term health condition. Can I claim the Employment Allowance? **YES**

I receive direct payments to help with my care due to disability. I need to employ a personal assistant to support me. Can I claim the Employment Allowance? **YES**

I was injured in a car crash and will need to employ a carer whilst I recover. Can I claim the Employment Allowance?

Yes, for as long as you are in need of care.

I want to employ a carer for my friend, who has fallen and broken her hip. She lives in another part of the country. Would my friend need to live with me to enable me to claim the employment allowance?

No - the person who needs care does not have to live with you. You can claim the Employment Allowance.

I want to employ a carer for my adult son, who has serious health issues and needs full time care. He does not live with me.

Can I claim the employment allowance? **YES**