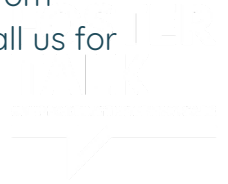


## A Guide to Tax for Foster Carers

### All Foster Carers

- Foster Carers are a special type of self-employed taxpayer and therefore need to prepare self-assessment tax returns
- If you are a foster caring household then one of the adults in the household is a self-employed Foster Carer
- If you are a couple you can choose who is the main carer for tax purposes – alternatively, both parties can be Foster Carers for tax purposes.
- As self-employed people, Foster Carers have to pay tax on their profit from their fostering business.
- Unlike other self-employed people a Foster Carer does not have to keep detailed records of expenses incurred in their work, they can rely on the rules set out in HMRC guideline HS236 – Qualifying care relief for carers.
- The HS236 guidelines tell Foster Carers how to calculate the income and the costs of their fostering business and give round sum allowances as costs.
- A Foster caring household receives £10,000 per complete tax year plus a weekly allowance based on the age of the looked after child (£200 per week/part of a week for a child aged under 11 and £250 per week for a child aged over 11.) These allowances are the annual costs of the fostering business.
- The generous allowances given by HS236 mean that many Foster Carers have little/no profit from their fostering businesses – If you have calculated large profits from fostering, this may be incorrect and you will pay tax unnecessarily, please call us for advice and support.



## A Guide to Tax for Foster Carers

### Specialist Foster Carers

A Foster Carer should keep receipts for expenditure if they are a “Specialist Foster Carer”

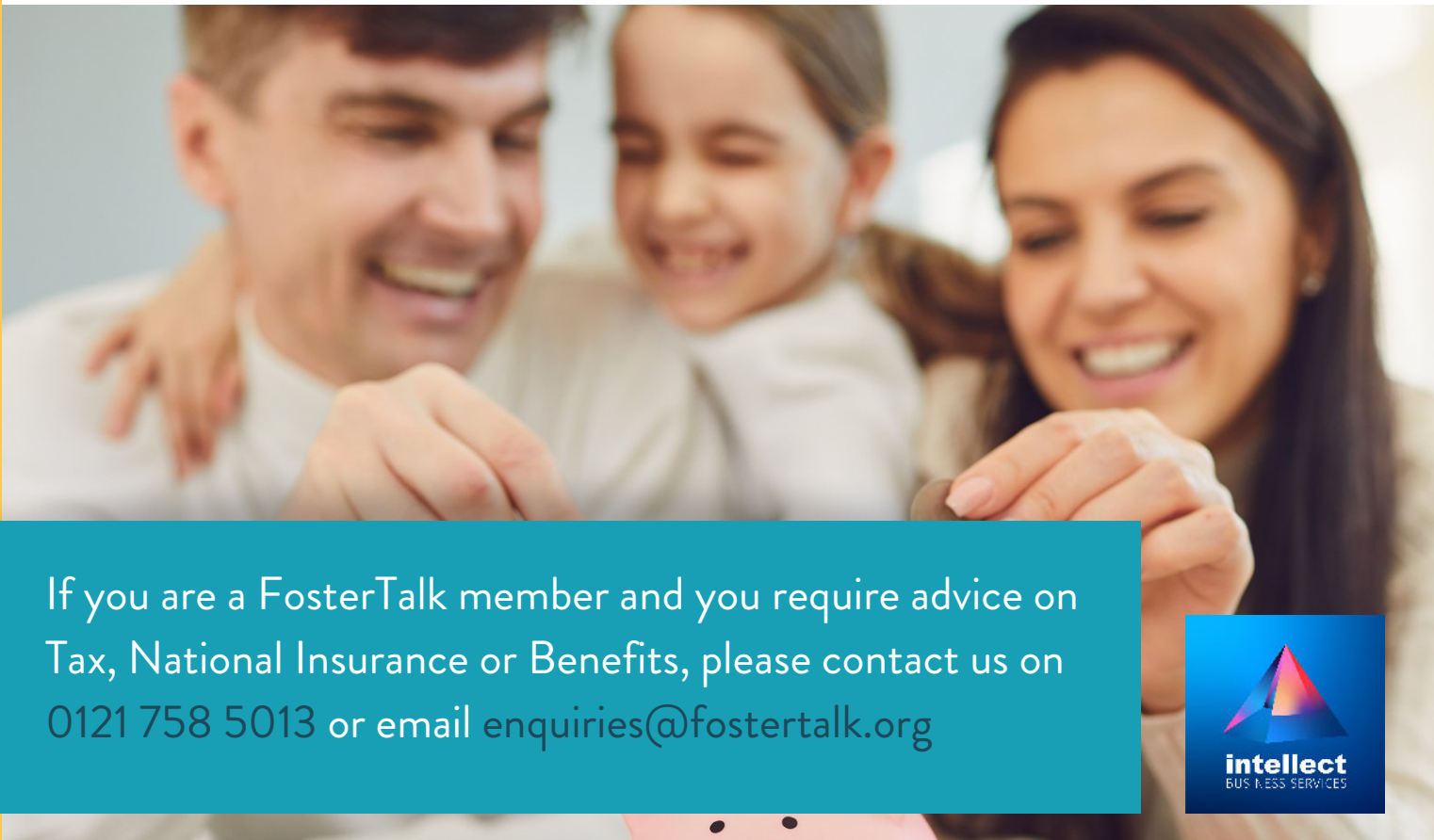
A Foster Carer is considered a specialist if they are paid more than the “standard” rate per week due to their expertise as a carer or due to the special needs of the foster child.

In either of the above circumstances, the carer can claim costs that are “exceptional by nature or degree” arising from the special needs of their foster children in addition to the standard allowances

Calculating and claiming these additional costs requires a detailed understanding of your foster child’s conditions and needs. Our team of experts knows all about exceptional expenses and will make the whole process straightforward – saving you time and money.

### Fostering Partnerships

Setting up a Fostering partnership can be advantageous in some cases – every couple’s situations are different but we can provide you with the specific advice you need – it may save you money.



If you are a FosterTalk member and you require advice on Tax, National Insurance or Benefits, please contact us on 0121 758 5013 or email [enquiries@fostertalk.org](mailto:enquiries@fostertalk.org)