

Adults & Children's Financial Services (ACFS)

Financial Guidance and Information for Foster Carers

Self Employed

Foster carers are regarded as self-employed. Please see the advice given on HMRC's website to determine if you are required to submit a self-assessment or alternatively seek guidance from your accountant. Useful information regarding tax can also be found on the Fostering Network website.

[Foster Carer Finances](#) | [Financial Support and Guidance](#) | [The Fostering Network](#)

There is a specific tax scheme that 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.

[HS236 Qualifying care relief: foster carers, adult placement carers, kinship carers and staying put carers \(2024\) - GOV.UK](#)

HMRC currently require you to keep your financial records for at least 5 years from 31 Jan following the tax year that the tax return relates to. This is inclusive of all remittance slips, receipts, bank statements etc.

ACFS are a transactional team and are not qualified to advise on any accounting or HMRC related issues.

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](#)

Overpayments

We respectfully request you to contact ACFS on the following email 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. ACFS 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. ACFS will recoup the over payment from your continuing fostering payments subject to funds being immediately available. If the overpayment amount exceeds any ongoing fostering payments over 2 pay runs or you do not have any children placed, an invoice for the over payment will be posted out to you. Please follow the instructions on the invoice to pay the owed money or contact payments@staffordshire.gov.uk if you are struggling financially and need to set up a payment plan. Once an invoice is sent ACFS 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 ACFS 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 .

Further Information

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