



**An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige**
Department of Children, Equality,
Disability, Integration and Youth

PRESS RELEASE

29 August 2024

**Thousands of families to benefit from substantial reductions
in early learning and childcare costs from 2 September**

- New subsidy rates under the National Childcare Scheme effective from 2 September.
- Fee cap for new services in Core Funding Scheme this year, extending to all services from September 2025 will stipulate a maximum fee that participating providers may charge, as part of a move towards a National Fee Structure.
- Record numbers of children now benefitting from supports under the National Childcare Scheme.
- OECD data reveal marked improvements across affordability indicators for early learning and childcare

Minister for Children, Equality, Disability, Integration and Youth, Roderic O’Gorman today welcomed the introduction of new subsidy rates under the National Childcare Scheme (NCS), which is set to substantially reduce out-of-pocket costs for early learning and childcare for tens of thousands of families across the country.

From 2 September, the minimum hourly subsidy under the NCS for children under 15 will increase by 53% - from €1.40 to €2.14.

For families using Tusla-registered early learning and childcare, the subsidy increase represents total cost reductions of up to €96.30 weekly per child, or over €5,000 annually.

From 2 September, the hourly subsidy under NCS sponsor referral programme, which makes special provision for vulnerable children, will also increase.

These latest changes to the NCS build on significant enhancements to the Scheme introduced by Minister O’Gorman in 2022 and 2023:

- The practice of deducting hours spent in pre-school or school from NCS awards was discontinued in April 2022.
- The universal subsidy under the NCS was extended to all children under 15 in August 2022 (from all children under three).
- The universal hourly subsidy under the NCS was increased to €1.40 in January 2023 (from €0.50 per hour).

Latest OECD data reveal marked improvements in affordability indicators for early learning and childcare as a result of these changes. Specifically

- In 2022, couples on the **average wage** spent 27% of their household income on full time early learning and childcare and single parents on the **average wage** spent 17% of their household income on full time early learning and childcare. In 2023 this figure fell to 17% and 7% respectively.
- In 2022, couples on the **minimum wage** spent 24% of their household income on full time early learning and childcare and single parents on the **minimum wage** spent 4% of their household income on full time early learning and childcare. In 2023 this figure fell to 12% and 0% respectively.

Record numbers of children are now accessing supports under the NCS. A total of 175,389 children have benefitted from an NCS subsidy so far this year. The number of children benefitting from subsidies has increased by over 97,000 when compared to the same period in 2022. Since its introduction, more than 232,700 children have availed of supports under the NCS.

Additionally, Minister O’Gorman announced that, starting in September this year for new services joining Core Funding, and expanding to all services in September 2025, a fee cap will be introduced which will, for the first time, set a maximum fee level which participating services may charge to parents. Participating services with very high fees will be required to bring those fees down. This will be implemented as part of the development of a new National Fee Structure intended to remove large disparities in fee levels across the country, giving greater certainty to parents.

Welcoming today’s changes to the National Childcare Scheme, Minister O’Gorman said:

“I am delighted to announce the introduction of these new subsidy rates under the National Childcare Scheme which are building on the increase I introduced to the minimum hourly subsidy rate in January 2023 and the extension of the scheme to children aged up to 15 in September 2022.

“These new subsidy rates will assist many thousands of families across the country to avail of quality early learning and childcare at more affordable levels.

“I encourage all eligible families to avail of these supports on offer, by visiting www.NCS.gov.ie, calling the Parent Support Centre on 01 906 8530 or talking to their early learning and childcare provider.”

ENDS

Note for Editors

National Childcare Scheme

The National Childcare Scheme provides financial support to help families with their early learning and childcare costs. The scheme, which was introduced in November 2019, has been designed on the principle of progressive universalism ensuring that families on the lowest incomes receive the greatest level of support.

There are two types of subsidies available to families:

- Universal subsidies are available to all families with children between 24 weeks and 15 years of age. This subsidy is not means tested.
- Income Assessed Subsidies are available to families with children aged between 24 weeks and 15 years. This subsidy is means tested and will be calculated based on the applicant's individual circumstances. The rate will vary depending on the level of family income, the child's age and educational stage, and the number of children in a family. To benefit from an Income Assessed subsidy, the applicant's reckonable family income has to be less than €60,000.

In addition, a sponsorship referral programme is available under the NCS which makes special provision for vulnerable children. The NCS sponsor referral programme allows designated bodies to refer children to the Scheme where early learning and childcare is needed on child welfare, protection, family support or other specified grounds. Where a referral is made by a Sponsor body, the family will automatically qualify for a subsidy without having to satisfy the Scheme's eligibility, income or other requirements. The sponsored family is not required to make any contribution to the cost of the place.

In addition, in line with the National Action Plan for Childminding 2021 – 2028, there is a commitment to opening the NCS to childminders in Autumn.