

Working Family early years entitlement funding explained for 2-year-old children and children under the age of 2 years

From April 2024, eligible children (with an HMRC 11-digit code) will be entitled to 15-hours early years entitlement funding from the age of two-years-old for 38 term-time weeks of the academic year (570 hours per annum).

From September 2024, eligible children (with an HMRC 11-digit code) will be entitled to 15-hours early years entitlement funding from the age of 9 months for 38 term-time weeks of the academic year (570 hours per annum).

From September 2025, eligible children (with an HMRC 11-digit code) will be entitled to 30-hours early years entitlement funding from the age of 9 months for 38 term-time weeks of the academic year (1140 hours per annum).


The aim of this entitlement funding is to help working families by reducing the costs of childcare and supporting parents to work.

Parents must apply for this funding via HM Revenue & Customs (HMRC), who is responsible for checking whether a parent is eligible. Eligible parents will be issued with an 11-digit code by HMRC which they must present to their childcare provider to claim the working family entitlement hours.

The only exception is for foster parents of children in foster care, who should apply directly to the local authority who have responsibility for the child. For Derbyshire children in care, email info.fis@derbyshire.gov.uk.

Parents are only able to start claiming a working family entitlement place for their child the term after they reach the relevant age, and the term following the date they receive a code from HMRC, whichever is later.

Providers must verify the code before offering a child a place. They must check that the code is valid and determine which term it is eligible for by checking the dates of the code.

 Refer to guidance 'Check a Working Family Entitlement code and determine eligibility' for more details.

What the dates mean:

'Code start date' is the date that the parent was confirmed as eligible by HMRC for a working family entitlement code. If the code is eligible, you can offer a funded place as follows:

Code start date	First term the child can start No earlier than the term after the child's 2nd birthday
1 September – 31 December	Spring Term (January)
1 January – 31 March	Summer Term (April)
1 April – 31 August	Autumn Term (September)

*Refer to the funding calendar for Derbyshire term start dates.

'Code end date' is the deadline date for the parent to reconfirm their eligibility with HMRC by logging on to their childcare service account.

'Grace period end date' - if the parent does not reconfirm their details by the code end date deadline, the child will no longer be eligible for the working family entitlement after the grace period end date. The grace period end date will extend each time the parent reconfirms their eligibility. See below for more information about grace period end dates.

Important points to consider:


HMRC 11-digit codes are only valid from the start of the term after the term in which they are issued, e.g., a parent with a code start date in September cannot take up working family entitlement until January. The child can access their working family entitlement the term after they reach the relevant age.

Approximately, every three months parents will need to reconfirm that the details they entered on their application are still accurate. This is to check that they are still eligible. They will be prompted, via email by HMRC, approximately four weeks before their reconfirmation deadline (code end date) and again two weeks before the deadline if they still have not reconfirmed.

Parents who completed their original application over the phone will need to phone the childcare service helpline to reconfirm their eligibility. Foster parents will need to reconfirm with the local authority who have responsibility for the child.

Parents will need to reconfirm regardless of whether their child has started their funded place.

Parents should never fall into the grace period unless their circumstances have changed enough to make them ineligible for funding.

Providers must use the portal to identify parents who are about to fall into, or are currently in the grace period, and at risk of losing funding. A warning triangle  will appear next to the child's name in the portal and indicates that the child is in the grace period.

Parents who fail to reconfirm their details in time, or whose circumstances have changed enough to take them out of eligibility, will no longer be eligible and will fall into the grace period. Please note:

- a child cannot start a new entitlement place in their grace period. For example, where the reconfirmation period has elapsed prior to the child starting a place, or where a parent falls into their grace period whilst their child is in an entitlement funded place, and the parent attempts to move the child to a different setting.
- a child cannot move from one provider to another during their grace period, unless in exceptional circumstances beyond the parents' control. For example, if their provider closes, or receives an Ofsted inspection judgement of 'inadequate' and the local authority withdraws funding, or the parent moves home because of domestic abuse. In such situations, the local authority may use their discretion to allow the child to continue their entitlement place in a new setting.



Denotes a child currently in the grace period.

Although it is the parents' responsibility to reconfirm their working family entitlement code with HMRC, providers should use portal information, together with the eligibility checker, to target parents who have fallen into or about to fall into the grace period; and encourage them to access their childcare service account as a matter of urgency.

Please note, when a parent reconfirms their code, the status shown in the actuals section will not automatically update. Providers should use the eligibility checker section of the portal to identify the latest code status.

 Refer to guidance 'Check a Working Family Entitlement code and determine eligibility' for step-by-step instructions.

If a parent becomes eligible again for the working family entitlement after they have fallen out of eligibility, they can go into their childcare account and reconfirm their details and present their code to their provider for verification. Please note, if the same parent completes this application, they will receive the same eligibility code, not a new one.

Identifying what to claim

To claim funding correctly, providers will need to understand how the parent wishes to use their funding. This is particularly important where a child is claiming funding across multiple settings.

Parents must include this information on the FE1 form. Providers must only claim the working family entitlement hours (HMRC 11-digit code) the child is attending at their provision according to the details provided on the FE1 form.

Once the FE1 form has been completed by the parent, providers should carefully check the information provided and ensure that funded hours are apportioned correctly to prevent double funding issues arising.

Working Family entitlement: grace period

The government has introduced a “grace period” to enable parents to retain their funded childcare for a short period should they become ineligible for the working family entitlement hours.

This will allow continuity for the child and give the parent some time to regain employment, if applicable. Early years and childcare providers can also be assured that if they offer the working family entitlement, they will not run the risk of having an empty place immediately should the parent’s circumstances change.

A child will enter “the grace period” when the child’s parents cease to meet the eligibility criteria to receive the working family entitlement hours. Providers can identify which children have entered the grace period and the grace period end date [via the provider portal](#).

The table below shows the grace period end dates:

Date parent receives ineligible decision on reconfirmation:	Grace period end date:
1 January – 10 February	31 March
11 February – 31 March	31 August
1 April – 26 May	31 August
27 May – 31 August	31 December
1 September – 21 October	31 December
22 October – 31 December	31 March

If parents have not re-confirmed their eligibility by the end of the grace period, they will lose their eligibility to working family entitlement.

When can children access the working family entitlement?

Children can start their funded childcare place the term after their relevant birthday and have received a valid HMRC working family entitlement code, whichever is later. Parents must have a valid code by the end of the month before a new term starts.



Providers should offer parents of funded children, sessions in-line with the term dates published via Derbyshire's funding calendar for early years entitlement. Providers should check with their local Derbyshire school for any variations.

We strongly recommend that providers do not sign an agreement with parents until they have verified both the age of the child and the validity of the code.

Useful links regarding the 2-year-old working family entitlement.

[Childcare choices](#)

Informative website outlining government help with childcare costs for parents.

[GOV.UK - Childcare](#)

Parents can use this calculator to find out how much they could get towards childcare costs.

Need more support?

Can't find what you need in our guidance materials?

Then please contact the Early Years Finance Team who will be happy to help:

CS.enquiries.childminders@derbyshire.gov.uk

CS.enquiries.groupcare@derbyshire.gov.uk

CS.enquiries.schools@derbyshire.gov.uk

Please include your Ofsted registration number, name, and contact details.