



Early
Childhood
Ireland

National Childcare Scheme (NCS)

Early Childhood Ireland Explainers

The National Childcare Scheme (NCS) was announced in Budget 2017 and was officially launched in November 2019. The NCS provides financial support to help parents to meet the costs of Early Years and School Age Care. Parents or guardians apply for the subsidy, which is paid directly to participating providers. The scheme includes two types of subsidies towards the cost of childcare: a **universal subsidy** and an **income-related subsidy**. The NCS is part of the new funding model called *Together for Better*, which was launched in September 2022.

Universal Subsidy

From September 2022, the universal subsidy is payable for children between the ages of 15 weeks and 15 years, who are using Early Years and School Age Care services with an approved service provider. The universal subsidy is not means-tested and is available to all qualifying families of any income level. From September 2024, the rate is set at €2.14 per hour and is available for up to 45 hours per week

NCS subsidised hours cannot be claimed for the hours a child is in the Early Childhood Care and Education (ECCE) scheme or in school.

Income-related Subsidy

The income-related subsidy is payable to children from the age of 24 weeks to 15 years who are using Early Years and School Age Care services with an approved provider. The level of subsidy is determined by the family's 'reckonable income'. Reckonable income is the combined income of the applicant and their partner (or sole income in the case of a single-parent family) less income tax, PRSI, USC, certain allowable deductions, and any Multiple Child Discount (MCD) if applicable. The income-related subsidy is payable for qualifying families where the family's annual reckonable income is less than €60,000.

Those who apply for the income-related subsidy will have their income assessed. Calculating reckonable income is the first step in assessing the level of income-related subsidy for which the parent may qualify.

Allowable deductions can include pension contributions, maintenance payments and specific social welfare and related payments. The Multiple Child Discount applies to families with more than one child under 15 years of age. Families with two children under

15 years will have their reckonable income reduced by €4,300. Families with three or more children under 15 years will have their reckonable income reduced by a total of €8,600.

The subsidy rates can be seen below.

Child's age	Minimum hourly subsidy (NS)	Maximum hourly subsidy (XS)
24 weeks to 12 months	€2.14	€5.10
1 - 2 years inclusive	€2.14	€4.35
3 years+	€2.14	€3.95
School age (or older than 6 years and less than 15 years of age)	€2.14	€3.75

Applicants with reckonable income at or below €26,000 per year qualify for the maximum hourly rate. For applicants with reckonable income between €26,000 and €60,000 per year, the subsidy falls as reckonable income rises. €60,000 is the maximum income threshold for the income-related subsidy.

Those who qualify for an income-related subsidy are awarded either an enhanced-hours subsidy or a standard-hours subsidy. An enhanced-hours subsidy is up to 45 hours per week and a standard-hours subsidy is up to 20 hours per week.

Suggested Changes

Two changes to NCS were suggested in [Partnership for the Public Good](#). The first change is to remove the age limit for the universal subsidy and increase the subsidy rate. The report states that this would encourage the development of a single national system with widespread participation by parents and providers. The Government has already moved to change the age limit with it coming into effect in September 2022.

The second change is to replace the MCD with a Multiple Child Factor (MCF). This change is aimed at dealing with affordability issues for families with two or more children. Research has shown that there is a steep withdrawal rate for families with two or more children, even after the MCD is applied. The change involves dividing a family's income by a specified number (the MCF) instead of subtracting a specified amount (the MCD).

Applying

Applications can be made on the [NCS webpage](#). This site also has other resources on NCS and other schemes.

Early Childhood Ireland's Work

Early Childhood Ireland welcomed the introduction of the NCS but emphasised that continued investment in the sector is needed. Click [here](#) for more about Early Childhood Ireland's initial reaction to the NCS.