



**Finance booklet for  
Foster Carers in Highland**  
**Bileag ionmhais do  
Luchd-cùraim Altraim  
sa Ghàidhealtachd**

This guide aims to provide you with all the financial information you need to know when becoming a foster carer for Highland Council.

[www.highlandfostering.co.uk](http://www.highlandfostering.co.uk)

#highlandfostering 01463 644460

In Highland we recognise the important role that foster carers play in supporting Highland's children, and we want to support you as much as we can along the way. This guide sets out what you can expect to receive financially (as a Highland Council Foster carer).

This booklet contains information on; fostering allowances, fees, tax, National Insurance and claiming benefits. It has been created to answer any questions you may have about finances when starting a new career as a foster carer. The booklet can be read in conjunction with the Highland Council Foster carer Handbook which you will receive if you are approved to be a foster carer.

If after reading this booklet you would like further clarification or to discuss anything, please do not hesitate to contact us:



**Phone: 01463 644460**



**Email: [fosteringduty@highland.gov.uk](mailto:fosteringduty@highland.gov.uk)**





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## Fees & Allowances

## Cìsean & Cuibhreannan

Rates correct at time of publishing.

In Highland, we very much value the vital role and level of responsibility that it takes to be a foster carer. Therefore, we pay competitive rates to enable you to make the commitment required. The Highland Council pay foster carers a 'fee' and an 'allowance'. The amount Highland Council pays varies according to the age of the children in your care, and their individual needs.

In Highland we pay our foster carers on a fortnightly basis. This is paid directly into your bank account.

Your allocated Social worker will keep you right about what can be claimed and submitting expenses. Any additional claims must be agreed in advance of purchase and must include receipts attached.

### Fees

The carer Fee is a "reward" payment for your skills, time, and professionalism as a carer.\*

**Foster Carer Fee for Child 0-13 years**  
= Weekly amount **£160.99**

**Foster Carer Fee for Child over 13 years**  
= Weekly amount **£214.66**

\*Some carers provide specialist care and receive an enhanced fee.

## Allowances

The Allowance is a specific sum dependent upon the child's age that covers the child's living costs including food & utilities; a share of household bills and groceries; clothing, pocket money, and child activities.

Age 0-4 years

= Weekly Allowance **£177.68**

Age 5-15 years

= Weekly Allowance **£206.71**

Age 16-18 years

= Weekly Allowance **£283.35**

You will receive a fee and allowance for each child you are caring for. For example:

If you foster a 7-year-old you will receive a combined individual fee and allowance totalling **£367.70** weekly.

If you foster a 14 and 8-year-old you will receive a combined fee and allowance for each child, totalling **£789.07** weekly.

## **Additional rewards & incentives**

## **Duaisean & brosnachaidhean a bharrachd**

In Highland, foster carers can claim the following additional allowances:

### **Initial clothing grant**

Up to £250 – this is in recognition that not all children have adequate clothing when they come to stay with you.

### **Additional clothing**

If there is an activity or sport that needs specialist clothing this can be claimed for by the foster carer after discussion and agreement with your social worker.

### **Milage**

Foster carers will receive 45p per mile for certain costs in respect of caring for Highland's children. For example, this can be for attending meetings about the child. Once approved as a foster carer you will receive the Foster Carer Handbook which details exactly what mileage can be claimed.

### **Health issues**

For children with additional specific health issues/ conditions there is the option to receive additional financial support to meet any additional costs associated with the child's needs.

## Equipment

Your local Fostering and Adoption Team have access to equipment that you may require such as car seats. If not, then they will support you in sourcing what is required to care for the children in your care.

## Special occasions

As mentioned overleaf, you as foster carers will receive extra allowances for the child(ren)'s Birthday, Christmas and in the Summer holidays.

## Time off

You as foster carers are entitled to carer breaks if you need them. You may be paid for up to 21 nights throughout the year when the child is not in your care.

## High Life Highland

Highland Council Fostering & Adoption Service upon approval, will contribute £100 towards a High Life Highland Annual subscription.

## Refer a friend

In Highland if you have been referred to us from an existing approved foster carer then they will receive £250. Upon reaching 5 years of being approved Highland foster carers receive £250 and again £250 upon 10 years of being approved.

## The Fostering Network

The Highland Council pay your Annual Membership to The Fostering Network (TFN). TFN offers a variety of extra support and independent legal advice and support. We encourage approved carers to make direct contact with TFN.

[www.thefosteringnetwork.org.uk](http://www.thefosteringnetwork.org.uk)

All foster carers with Highland Council are classed as self-employed. This means that they must complete and return their own self-assessment tax return each year.

HMRC as well as The Fostering Network offers advice and support in completing the self-assessment tax return. Due to the nature of being a foster carer there are tax reliefs available (**Qualifying Care Relief**) and it may mean that you do not pay any additional contributions. However, each family's financial circumstances are different.

There are specific factors that may impact your tax return, these may include:

- If you are in a partnership
- If you have other sources of income e.g. another employment, rental properties
- The number of children you are caring for and the fees associated with this

Please see the below link for up-to-date information regarding tax and self-assessment:

[www.gov.uk/log-in-file-self-assessment-tax-return](https://www.gov.uk/log-in-file-self-assessment-tax-return)

# National Insurance & Foster carers

# Àrachas Nàiseanta is Luchd-cùrain altram

- Everyone earning an income in the UK is required to pay National Insurance (NI).
- NI contributions fund key state benefits such as:
  - Employment Support Allowance
  - Bereavement benefits
  - Maternity pay
  - State Pension

## If your taxable income is below your qualifying care relief:

- Your fostering income is treated as £0 profit (NULL).
- You do not have to pay NI.
- You may still choose to pay NI voluntarily to protect your entitlement to:
  - State Pension
  - Employment and Support Allowance
  - Maternity Allowance
- You may be able to apply for NI credits, which add a year to your NI record:
  - Eligibility depends on your income level.

## What is Qualifying Care Relief (QCR)?

QCR is a special tax scheme in the UK designed for foster carers, shared lives carers, and kinship carers. Instead of making you keep track of every individual receipt for food, clothes, or gas to deduct them as business expenses, HMRC gives you a massive, simplified tax-free threshold.

Your unique QCR threshold is calculated by combining two parts:

- **A fixed annual amount:** A baseline tax-free allowance given per fostering household each year.
- **A weekly tax-free allowance:** An extra amount added to your threshold for every week (or part of a week) a child is in your care. The specific amount increases if the child is aged 11 or older.

## If you earn above the minimum threshold

- Most foster carers do not exceed the NI threshold through fostering alone.
- If you are below retirement age and have additional income (e.g. another job), you may exceed the threshold.
- In this case, you may need to pay Class 4 NI contributions.

## Important considerations

- Everyone's financial situation is different.
- Think carefully about your future needs and whether voluntary NI or NI credits are right for you.
- If unsure, consider speaking with a financial adviser for personalised guidance.

# Claiming Benefits

# A' Tagradh airson Shochairan

Foster carers in Scotland have the same rights to claim benefits as anyone else, and fostering income is usually ignored when calculating benefit entitlement.

## You may still be eligible for:

- Universal Credit
- Housing Benefit
- Pension Credit
- Jobseeker's Allowance (JSA)
- Employment & Support Allowance (ESA)
- Carer's Allowance / Carer Support Payment (Scotland)
- Scottish Child Payment (for your own children, not foster children)

## Important:

- Foster children are not counted as part of your household for benefit calculations.
- You must still declare your fostering role on benefit claims.

Here are some other helpful links:

If you have any queries around any National Insurance please see the link below:

[www.gov.uk/national-insurance/national-insurance-classes](http://www.gov.uk/national-insurance/national-insurance-classes)

See The Fostering Network for full examples of Tax and National Insurance queries on the link below:

[www.thefosteringnetwork.org.uk/for-carers/foster-carer-finances/tax-and-national-insurance-contributions](http://www.thefosteringnetwork.org.uk/for-carers/foster-carer-finances/tax-and-national-insurance-contributions)

Mortgages – The Fostering Network have a helpful guide on mortgages too:

[www.thefosteringnetwork.org.uk/for-carers/foster-carer-finances/mortgages-for-foster-carers](http://www.thefosteringnetwork.org.uk/for-carers/foster-carer-finances/mortgages-for-foster-carers)

## Get in Touch



Phone: 01463 644460



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Highland Council  
Fostering and Adoption  
Service