



## Chapter 4

# 20 Hours Early Childhood Education

## Overview

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**Introduction** 20 Hours Early Childhood Education (ECE) is a higher rate of funding than the ECE Subsidy. It enables ECE services to provide early childhood education to three-year-olds, four-year-olds and five-year-olds for up to a maximum of six hours per day for 20 hours per week per child without charging fees.

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**Funding cycle** 20 Hours ECE is paid at the same time as the ECE Funding Subsidy – on the first working day of March, July and November.

For more information on when and how funding is paid see **Section 2-4**.

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**In this chapter** This chapter contains the following topics:

Title	Section
Funding eligibility	4-1
Funding conditions	4-2
Fees, donations and optional charges	4-3
Record keeping requirements	4-4
Beginning and ceasing to offer 20 Hours ECE funding	4-5
The EC20 Form- <i>(section removed and replaced with 7-9 in April 2015)</i>	4-6

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## 4-1 Funding eligibility

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**Introduction** This section outlines the eligibility conditions for:

- services eligible to provide 20 Hours ECE
- children eligible to receive 20 Hours ECE.

All services offering 20 Hours ECE and all children receiving 20 Hours ECE must meet the eligibility conditions at all times.

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**Eligible services** Early childhood education services are eligible to offer 20 Hours ECE if they:

- are licensed **and**
  - are open continuously for at least one session of 2.5 hours per week **and**
  - meet all 20 Hours ECE funding rules.
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**Services offering 20 Hours ECE** Services offering 20 Hours ECE must offer 20 Hours ECE to all eligible children.

Services **must not** offer 20 Hours ECE only:

- to some eligible children and not to other eligible children
- on particular days of the week
- for particular hours of operation.

**Note:** The number of hours of 20 Hours ECE that a service can offer each child will depend on the service's hours of operation, the space available at the service and the child's hours of enrolment.

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**Eligible children** 20 Hours ECE funding can only be claimed for children who fill a child-place and are three, four or five years of age.

Funding cannot be claimed for:

- children enrolled in school
  - conditionally enrolled children who do not attend the service
  - casual bookings made for children who do not attend the service.
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## 4-1 Funding eligibility, Continued

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**When to begin claiming**

A child's eligibility for 20 Hours ECE begins on their third birthday.

Services may begin claiming 20 Hours ECE funding for a child on their third birthday.

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**When to stop claiming**

A child's eligibility for 20 Hours ECE ends on their sixth birthday.

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**Childcare Subsidy and 20 Hours ECE**

Work and Income's rules state that the Childcare Subsidy **must not** be claimed for 20 Hours ECE hours.

The Childcare Subsidy can be claimed for hours of attendance not covered by 20 Hours ECE. For example, for a child receiving 20 Hours ECE and attending for more than six hours per day or more than 20 hours per week.

The Childcare Subsidy is administered through Work and Income, Ministry of Social Development. Further information on the Childcare Subsidy can be found at the [Working for Families](#) website or call 0800 774 004.

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## 4-2 Funding conditions

**Introduction** Funding for 20 Hours ECE is attached to each eligible child's enrolment, rather than to a licensed child-place. Funding is made up of 20 Hours ECE and Plus 10 ECE.

**20 Hours ECE** 20 Hours ECE hours are the funded child hours that services can claim per eligible child for the provision of 20 Hours ECE.

Services are eligible to claim up to six hours **per child** per day, to a maximum of 20 hours **per child** per week.

**Plus 10 ECE** Plus 10 ECE describes the remaining 10 hours of funding a service can claim for each child in addition to the 20 Hours ECE hours. It is the difference between 30 hours ECE Subsidy funding and the 20 Hours ECE hours.

For more information on the ECE Subsidy see **Chapter 3** of this Handbook.

**Maximum funding** Services may claim a maximum of:

- six hours funding per day for 20 Hours ECE and/or Plus 10 per eligible child
- 20 hours per week for 20 Hours ECE per eligible child
- 30 hours per week for 20 Hours ECE and Plus 10 per eligible child.

Out of those 30 hours weekly maximum per child, 20 hours per week may be claimed as 20 Hours ECE. The remaining hours up to 30 may be claimed as Plus 10 ECE funding.

**Which hours can be claimed as 20 Hours ECE?** Parents will choose which days the 20 Hours ECE hours will be allocated to, but no individual day may exceed six 20 Hours ECE hours.

**Example 1: weekly** The following table shows the number of 20 Hours ECE hours and Plus 10 ECE hours per week that may be claimed for children with different enrolment agreements:

Name	Hours enrolled	Total hours enrolled per week	20 Hours ECE hours claimed	Plus 10 ECE hours claimed
Erin	8 hours per day	40	20	10
Melanie	4 hours per day	20	20	
Hayden	<ul style="list-style-type: none"> <li>• 8 hours on Monday, Tuesday and Wednesday</li> <li>• 4.5 hours on Thursday and Friday</li> </ul>	33	20	7

## 4-2 Funding conditions, Continued

### Example 2: daily

The table below shows how parents could choose to allocate the 20 Hours ECE hours daily across a week:

- Erin attends 8 hours per day, Monday to Friday.
- Melanie attends 4 hours per day, Monday to Friday.
- Hayden attends 8 hours on Monday, Tuesday and Wednesday, and 4.5 hours on Thursday and Fridays.

Erin	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	8	8	8	8	8	40
20 Hours ECE hours	4	4	4	4	4	20
Plus 10 ECE hours	2	2	2	2	2	10
Difference: DO NOT CLAIM	2	2	2	2	2	10
Melanie	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	4	4	4	4	4	20
20 Hours ECE hours	4	4	4	4	4	20
Plus 10 ECE hours						
Hayden	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	8	8	8	4.5	4.5	33
20 Hours ECE hours	6	6	6	2		20
Plus 10 ECE hours				2.5	4.5	7

### Sharing child places

Children may share a child-place during the day.

In this situation, services may claim up to six hours 20 Hours ECE Funding per eligible child plus up to six hours ECE Subsidy Funding per child-place.

### Example of sharing child places

The following example shows how a service could claim funding where a child receiving 20 Hours ECE shares a child-place with an Under Two child.

- Melanie is receiving 20 Hours ECE and is enrolled for five hours on Monday to Friday, from 8am to 1pm.
- Erin is one-year-old and is enrolled for four hours on Monday to Friday, from 1pm to 5pm.

Child	Hours	Monday	Tuesday	Wednesday	Thursday	Friday
Erin	Under 2 hours	4	4	4	4	4
Melanie	20 Hours ECE hours	5	5	5	5	
	Plus 10 ECE hours					5
	Total hours claimed per day	9	9	9	9	9

## 4-2 Funding conditions, Continued

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**2.5 hour sessions**      Sessional services that offer 2.5 hour sessions may claim funding for 3 hours for those sessions.

20 Hours ECE hours may be claimed for the first 2.5 hours. Services must claim Plus 10 ECE hours for the remaining half hour.

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**Claiming for 20 Hours ECE absences**

The absence rules in **Chapter 6** apply to 20 Hours ECE funding.

Services must not charge fees for hours that they claim as 20 Hours ECE. If a service claims 20 Hours ECE funding under an absence rule, the service **must not** charge fees for any conditional or casual child who directly fills that place. If the service charges a fee, it **must** claim the ECE Funding Subsidy.

This will occur only when the service is filled to its maximum capacity and the casual child is directly replacing an absent child who is claiming 20 Hours ECE.

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**20 Hours ECE Attestation**

An *Attestation* included in the enrolment agreement **must** be signed for each child receiving 20 Hours ECE. **20 Hours ECE funding must not be claimed for a child until the service has received a completed and signed Attestation.**

Parents must confirm the total hours per day of 20 Hours ECE the child will receive at the service and any other service the child is enrolled to attend.

Enrolment details and records **must** be kept up-to-date. Parents must notify services and change the enrolment details if there is a change to the number of hours of 20 Hours ECE their child receives at any service.

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**Using 20 Hours ECE hours at more than one service**

Parents may choose to allocate their 20 Hours ECE hours across more than one service.

A child can receive a maximum of six 20 Hours ECE hours per day and twenty 20 Hours ECE hours per week **as a total across all services.**

The enrolment details will indicate if, and for how many hours, a child is receiving 20 Hours ECE at another service. This will tell each service how many 20 Hours ECE hours can be claimed for each child.

Each service may still claim up to 30 hours of funding per child per week, but funding must not be claimed for the same hours. The remaining hours once the 20 Hours ECE hours are used up may be claimed as Plus 10 ECE hours.

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## 4-2 Funding conditions, Continued

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### Example

Caleb is enrolled in a home-based service from 7.45am to 3.45pm on Mondays and Fridays, and 7.45am to 12.45pm on Tuesdays, Wednesdays and Thursdays. He is also enrolled in kindergarten from 12.45 to 3.45pm on Tuesdays, Wednesdays and Thursdays. His parents choose to allocate 20 Hours ECE hours to both the home-based service and the kindergarten. This might look like:

Home-based	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	8	5	5	5	8	31
20 Hours ECE hours	2	4	4	4		14
Plus 10 ECE hours	4	1	1	1	6	13
Kindergarten	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled		3	3	3		9
20 Hours ECE hours		2	2	2		6
Plus 10 ECE hours		1	1	1		3
<b>Total 20 Hours ECE hours</b>	2	6	6	6		20

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## 4-3 Fees, donations and optional charges

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**Introduction** This section explains the financial payments services may and may not request from parents for the period children are enrolled for 20 Hours ECE.

There are three types of payments. They are fees, donations, and optional charges.

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**Definition of a fee** A **fee** is a payment that is required as a condition of enrolment and can be enforced. It includes any compulsory payment regardless of the type: wages, salary or any other payments made by the parents /caregiver to either the educator or the service provider

**Enforcement** is when a service withholds or withdraws enrolment, or withholds or withdraws parts of their service (for example children not permitted to take part in certain activities), or attempts debt recovery.

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**Parents must not pay fees for 20 Hours ECE** Parents **must not** be charged fees for hours claimed as 20 Hours ECE.

The service provider must ensure parents do not pay a compulsory fee for hours covered by 20 Hours ECE, either to the service provider or to the educator. Where parents pay home-based educators directly, the service provider is responsible for fully reimbursing parents for compulsory fees paid for the hours covered by 20 Hours ECE.

Parents may be charged fees for hours outside the 20 Hours ECE maximum of six hours per day and 20 hours per week per child.

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**Definition of a donation** A donation is a voluntary payment. There is no obligation to pay and there is no enforcement of payment.

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**Services may request donations** When requesting donations, services must ensure that donations are not described as fees, or by any other term that implies that they are compulsory.

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## 4-3 Fees, donations and optional charges, Continued

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### Definition of optional charges

Optional charges are a request for a payment that parents may choose whether or not to make for a specific purpose, which can be one-off or ongoing, that:

- is for the education and care of the child; *and*
- is above what is required to meet the regulated standards; *and*
- can be separated out and measured.

Optional charges should reflect the real and actual costs of the additional item or activity.

Parents must have a choice about whether they want to pay for the additional item or activity covered by the optional charge. They must be informed in writing that agreeing to an optional charge is not compulsory, and they must not be penalised for choosing not to pay an optional charge.

### Services may request optional charges

Optional charges are a request for a payment that parents may choose whether or not to make for a specific purpose, which can be one-off or ongoing.

### Non-compulsory

Parents must be informed in writing that agreeing to an optional charge is not compulsory and services must not make agreement to pay optional charges a condition of initial or continued enrolment.

### Agreement to optional charges

When a parent agrees to pay an optional charge, the specific items covered by the charge, and the agreement to pay the charge must be part of the enrolment process and recorded on the enrolment agreement.

An agreement to pay ongoing optional charges must include information about how long the agreement will last and/or what the rules are about making changes to the agreement.

Once an agreement to pay has been reached then services may enforce payment.

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## 4-3 Fees, donations and optional charges, Continued

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### Acceptable optional charges

Optional charges can **only** be requested for:

- aspects of provision that are not required by regulation
- additional staff beyond the minimum regulated adult/child ratios
- items that parents may either provide for their own children, or pay for the service to provide.

Services must ensure that the activity or item offered exceeds/is over and above what is required by regulation.

For example:

- specific teaching resources such as a dance or music teacher
- excursions and entrance fees
- transport
- sunscreen lotion
- clothing items such as sunhats
- food.

Optional charges cannot be requested for the administration of 20 Hours ECE, wage administration for Home-based educators, home management or 'payment top-ups'. Further information on this can be found at the [Education.govt.nz](https://www.education.govt.nz) website.

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## 4-3 Fees, donations and optional charges, Continued

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### Requesting optional charges for excursions and transport

An optional charge should only be requested for excursions if:

- i. There is a direct cost associated with the excursion (e.g. an entry fee); and/or
- ii. Travel is required to get to the destination, specifically any distance greater than what could be considered reasonable to reach by walking

Any optional charge for an excursion must be for the education and care of the child, and be able to be separated out and measured

Costs must be itemised so parents can see how the optional charge is to be spent. Requesting a nominal hourly rate for unspecified excursions and transport does not meet the intent of an optional charge

Optional charges can be requested at any time after enrolment. Therefore, if requested at the time of planning the excursion, the charge can reflect real and actual costs.

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### Unacceptable optional charges

Optional charges **cannot** be a condition of initial or continued enrolment, or requested for:

- aspects of provision that are required by legislation
- general contributions towards the cost of high quality education and care provided by the service or due to the service being well regarded
- home management (in the case of ECE provided in the child's own home)
- wage administration
- wage top-ups
- administration of 20 Hours ECE
- excursions that do not meet the criteria for excursions and transport.

Following the reintroduction of the 100% funding band on 1 January 2021 services will no longer be able to request additional payments from parents to help contribute the cost of having more than 80% certificated teachers.

For more information can be found at the [Education.govt.nz](https://www.education.govt.nz) website.

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## 4-3 Fees, donations and optional charges, Continued

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**Enforcement of payment**

Once a parent has agreed to pay an optional charge, the service may enforce the payment as they would enforce a fee.

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**Parents who choose not to pay optional charges**

If a parent chooses not to pay an optional charge, the only action a service can take is to withhold the additional feature(s) covered by the optional charge. By choosing not to pay an optional charge, parents are agreeing to not have access to that additional activity or item.

Parents who choose not to pay an optional charge must receive at least the standard of service required by the regulations. It is the responsibility of the service providing 20 Hours ECE to ensure parents do not pay a fee for hours covered by 20 Hours ECE, either to the service provider or the educator (in the case of a Home-based service).

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**Changing optional charge agreements**

Services must allow reasonable opportunities for parents to review their decisions regarding optional charges. Either party may initiate a change to the agreement, but both parties must agree on the changes.

Any change to agreements on optional charges is a change to the enrolment agreement.

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## 4-4 Record keeping requirements

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### 20 Hours ECE record keeping requirements

Services must keep records of fees, donations and optional charges received from parents. Records must show the type of payment received – fee, donation or optional charge.

Services **must** also continue to meet the requirements for recording enrolment, attendance and absence in **Chapter 6**, and the record keeping requirements in **Chapter 11**.

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### Enrolment Agreement Form

The sections marked with this symbol **◆**, in the Ministry of Education's sample Enrolment Agreement Form must be included in the service's Enrolment Agreement Form. Wording cannot be changed, except to add relevant details for your service.

For more information on enrolment records see **Chapter 6** of this Handbook.

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### Recording parent contributions

Services must keep the following records of fees, donations and optional charges received from parents:

- records of optional charge agreements must be part of the Enrolment Agreement Form
  - records of fees and donations may be kept on Enrolment Agreement Form or invoices
  - records should show the type of payment received – fee, donation or optional charge.
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### Home-based ECE services

When the parent directly pays the home-based educator, services must keep a record of all payments made for 20 Hours ECE that occur between any of the following parties: parent, educator and service provider.

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## 4-5 Beginning or ceasing to offer 20 Hours ECE Funding

**Introduction** This section is for services beginning or ceasing to offer 20 Hours ECE.

**First Advance of 20 Hours ECE** The table below shows the funding process for services claiming their first advance of 20 Hours ECE funding.

Information on completing the *EC20 Transitional Advance Form* is in Section 7-9 of this handbook.

Stage	Description
1	The service requests an <i>EC20 Transitional Advance Form</i> from the Ministry of Education, <a href="mailto:ece.funding@education.govt.nz">ece.funding@education.govt.nz</a>
2	The service completes and returns the <i>EC20</i> to the ECE Operational Funding Team on <a href="mailto:ece.funding@education.govt.nz">ece.funding@education.govt.nz</a> .
3	The Ministry calculates the service's advance payment based on: <ul style="list-style-type: none"> <li>• the number of days the service will be open <b>and</b></li> <li>• the calculated funded child hours for each day during a selected week for               <ul style="list-style-type: none"> <li>○ Under Twos</li> <li>○ Two and Overs not receiving 20 Hours ECE</li> <li>○ 20 Hours ECE</li> <li>○ Plus 10 ECE hours <b>and</b></li> </ul> </li> <li>• the date the service will begin offering 20 Hours ECE.</li> </ul>
4	The Ministry makes an advance payment to the service on the next available major payment date.
5	The advance payment is washed-up against actual funded child hours on the next RS7 Return and 20 Hours ECE funding becomes part of the normal funding cycle.

**Ceasing 20 Hours ECE** Services that decide to stop offering 20 Hours ECE funding should contact the ECE Operational Funding team on [ece.funding@education.govt.nz](mailto:ece.funding@education.govt.nz) to discuss how to adjust their future funding.



## 4-6 The EC20 Form

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**This section removed**

This section was removed in April 2015.

Please see Section 7-9 for information on the *EC20 Transitional Advance Form*.

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