

PRESS RELEASE

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**An Roinn Leanaí, Míchumais
agus Comhionannais**
Department of Children,
Disability and Equality

Minister Foley announces new maximum fee cap for early learning and childcare services alongside €390 million in State funding this year through the Core Funding Scheme

Minister for Children, Disability, and Equality, Norma Foley, T.D., today announced the details of the new maximum fee cap for early learning and childcare services participating in Core Funding alongside record State funding of €390 million this year for the Scheme.

An initial maximum fee cap was put in place for new entrants to the scheme last year.

A new maximum fee cap will now be introduced for all new and existing services receiving this State funding this September, which will further lower the maximum fees that can be charged depending on the number of hours provided.

This will reduce costs for families who are facing the highest fees across the country in around 10 per cent of early learning and childcare providers. At the same time, State funding for early learning and childcare providers through Core Funding is being increased by €60 million for the forthcoming 2025/2026 period, bringing it to a record level of over €390 million.

Under these new maximum fee caps, the highest possible fees will be no more than €295 per week for a full day place of between 40-50 hours per week. This will bring these fees closer to the average weekly fee of €197 for full day care.

It is important to note that these fees for parents are then reduced by State subsidies under the National Childcare Scheme and the free, universal two-year Early Childhood Care and Education (ECCE) preschool programme.

A parent being charged the maximum permissible fee of €295 per week for a full day place would be entitled to receive the universal National Childcare Scheme subsidy of €96.30, meaning their own co-payment would be no more than €198.70 per week. Higher subsidies are available for many parents, depending on their level of income and the age and number of children in their family.

In addition to this a new maximum fee cap, the unprecedented funding available through Core Funding will ensure the existing fee freeze, which was introduced in 2022, will remain in place for participating services. This will continue to assist parents with children in the majority of services whose fees fall below the new fee caps.

The new maximum fee cap and increased State investment are important steps towards the Government's commitment to progressively reduce the cost of early learning and childcare to €200 per month per child during the lifetime of the government.

Minister Foley said:

"One of the areas where parents and families are most looking for help is with the cost of early learning and childcare. Since 2020, the amount of State funding in this area has increased from around €600 million to €1.37 billion this year. That has led to a 50% reduction in the cost faced by parents on average and a record number of children – approximately 190,000 – have benefitted from the National Childcare Scheme this year. So there has been progress. But I know that the cost of early learning and childcare is still far too high for many parents.

The extension of maximum fee caps to all services participating in Core Funding will reduce costs for families facing the highest fees in the country. It will address some of the extreme fee disparities across the sector in a meaningful way, so that there are more consistent rates in place for families in their local areas.

It is another step along the way to achieving the commitment in the Programme for Government to a maximum payment by parents of €200 per child per month for early learning and childcare during the lifetime of this government. Core Funding has enjoyed high participation rates to date, with 92 per cent of services taking part. There is going to be a further €60 million increase in State funding for this Scheme in 2025/2026, bringing the total to a record €390 million. I am confident that the increased funding available from September will allow for the continued partnership with for early learning and childcare services."

Minister Foley today also shared the details for the Core Funding 2025/2026 allocation model, which makes over €390 million available from September 2025 to support providers in meeting higher costs without increasing fees charged to parents.

Overall, the 2025/2026 allocation represents an increase of over €60 million (over 18%) on the current programme year.

This additional €60 million allocation includes €45 million specifically ring-fenced to support the outcomes of the independent Joint Labour Committee process. The Joint Labour Committee is made up of employer and employee representatives from the early learning and childcare sector who can negotiate minimum pay rates, which are then set down in Employment Regulation Orders to improve pay for the 37,000 staff in the early learning and childcare sector.

"We want the best of people caring for and educating children in the sector. To do that, and to keep them in the sector, they need to be paid fairly. This new €45 million in funding will be contingent on increased minimum pay rates for the sector being agreed by the Joint Labour Committee. Once new Employment Regulation Orders for the sector are agreed, this funding will specifically support employers to meet the costs of these increases to the minimum rates of pay in the sector. This was an objective that we committed to in our Programme for Government to ensure that the sector will continue to attract and retain this vital workforce."

The increased Core Funding of €390 million available from September facilitates:

- Support for providers in meeting the costs of increases in minimum pay rates as a result of newly negotiated Employment Regulation Orders by the independent Joint Labour Committee;
- Increased funding for early learning and care capacity offered to ensure Partner Services can keep pace with rising costs without needing to increase fees charged to parents;
- An increase to the minimum amount of funding a centre-based service will receive, increasing to €14,400 per year from the current level of €14,000;
- A reduction in the maximum allocation for a service's capacity to €450,000 to best spread a limited budget across the entire sector; and
- Funding to support capacity growth of 3.5% across the sector.

Last year, early learning and childcare services whose fees were frozen at a level that may not be sufficient to sustain their business were given the opportunity to apply for a fee increase. Last year, the planned extension of the fee cap from new providers to all providers in September 2025 was also signaled to the sector.

In addition to the increased Core Funding allocation of €390 million, any service facing sustainability concerns can continue to avail of supports through the Department of Children, Disability and Equality's established case management process. This involves local City and County Childcare Committees and Pobal working together to assess and provide support including financial support to services experiencing difficulties.

For more information, please visit: [Core Funding](#)

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