



## Do you pay for childcare and want to save money?

**Would an annual saving of between £816 and £1066 help?\***

**If you have answered YES, then *childcarepass* could save you money!**

### Your questions answered...

#### What is a childcare voucher benefit scheme?

A childcare voucher benefit scheme enables you to take part of your salary in childcare vouchers in either a paper or e-voucher format - the choice is yours.

#### Is there a limit to the amount of vouchers I can have?

No there is no limit to the amount you take as long as you understand that it is only the first £217 per calendar month that will be tax and national insurance free. Any additional vouchers you take will have tax & NI applied as normal salary. Your net pay after vouchers should also remain above £395 per month (£91 per week). This is to ensure you always pay the minimum amount of NI on which a number of state benefits, including Statutory Sick Pay, are dependent. Allowing you to take the balance of your childcare costs in vouchers simply means you will pay all of your fees using vouchers as opposed to paying some in vouchers and some in cash/cheque.

#### How does this save money?

You do not pay Income tax or National Insurance contributions on the part of the salary you take in vouchers.

#### How much can I save?

The amount you save depends on the level of tax and NI you pay – With NI at a rate of 9.4% and £50 of your salary per week taken as vouchers you will save up to £816 p.a. as a 22% tax payer, and up to £1066 p.a. as a 40% tax payer. (see table for additional savings information)

#### How does the scheme work?

You register on a form which alters the Terms and Conditions of your employment allowing your employer to pay part of your salary in vouchers which you use to pay for childcare. You have the choice of either setting up an e-voucher account which enables you to pay your costs electronically via Sodexo Pass or you can receive a paper voucher which is sent to your home on payday. Simply pay your childcarer with the vouchers and they redeem them through Sodexo Pass.

#### Will my pension be affected?

The NHS operates a final salary scheme so there will be no adverse effect providing you withdraw from the scheme 3 years before retirement. However, in the unlikely event of death in service, transfer, or unplanned retirement, your pension will be calculated on the reduced salary excluding the vouchers. The impact on SERPS of a single year's reduction in NI contributions is likely to be negligible.

#### Will taking childcare vouchers affect my Statutory Maternity Pay?

SMP is calculated on salary on which NI is payable so your SMP will be reduced if you take childcare vouchers. For this reason we advise you to come off the scheme 23 weeks before your baby is due.

#### How will my overtime be calculated?

Most employers calculate all work benefits on gross salary, so your overtime/other benefits should not be affected. Your HR department can confirm this.

#### Will my claim for Working Tax Credit be affected?

There may be an effect on the childcare tax credit element of the WTC. It is advisable to contact the WTC helpline on **0845 300 3900** prior to applying for childcare vouchers.

#### How do I use the childcarepass vouchers?

Simply pay your childcare provider with the vouchers. They redeem them by email, freepost or freephone through Sodexo Pass who runs the scheme.

If using e-vouchers you can make payment directly to your carer via your online account - you will receive a welcome e-mail to explain how to use your e-voucher account.

For a full list of who can accept the vouchers please see overleaf.



## Where can I use my childcare vouchers?

- Registered childminders, nurseries and play schemes
- Out-of-hours clubs on school premises run by a school or local authority
- Childcare schemes run by school governing bodies under the 'extended schools' scheme
- Childcare schemes run by approved providers, for example, an out-of-hours scheme or a provider approved under a Ministry of Defence accreditation scheme
- In England only, childcare given in the child's own home by a person\* approved to care for your child or children
- In England only, childcare given in the child's own home by a domiciliary worker or nurse\* from a registered agency who cares for children
- In Scotland only, childcare given in the child's own home by (or introduced through) childcare agencies, which must be registered
- Approved foster carers (the care must be for a child who is not the foster carer's foster child)

**\*Childcare provided in the child's own home will not qualify if the person approved to give that care is a relative of the child**

**All carers must be either registered or approved in order to be able to accept childcare vouchers. If your carer is not currently registered or approved, information on how to register is available at [www.childcareapprovalscheme.co.uk](http://www.childcareapprovalscheme.co.uk)**



### **Can my partner and I both have vouchers?**

Yes, the amount of vouchers that a parent or legal guardian can take will be limited in April to £50 per week each (£217 per month), irrespective of how many children you have, so you could maximise your savings by ensuring that you both take part in a childcare voucher scheme.

If your partner's employer is not currently running a scheme, call 01276 687094 and ask for more information.

### **What if my childcarer doesn't know about the scheme?**

Most carers do know about voucher schemes. If not already registered, they simply provide their details to Sodexo Pass who set up automatic payment into their bank account. There is a useful leaflet available to explain the scheme to your carer.

### **What if I have more than one childcarer?**

Like cash, vouchers come in various denominations. This enables you to split payment to as many carers as you use.

### **What if my childcare costs vary every month?**

You can keep the vouchers for when you have a more expensive month e.g. during the school holidays.

### **Can the vouchers go out of date?**

Yes, however, Sodexo Pass undertakes to replace any Childcarepass voucher for up to 18 months after the printed expiry date.

### **Can I change my childcare provider?**

Yes. Simply ring the Childcarepass helpline on **Freephone 0800 328 7411** and request a new childcarer registration form, get your carer to complete it and then send it to Sodexo Pass with their carer certificate.

Please note that under the new guidelines for childcare you have a responsibility to inform your employer of any change of carer

### **Can I leave the scheme at any time?**

To qualify for the NI savings you must stay in the scheme until the renewal date, except under exceptional circumstances e.g. separation, divorce, marriage, birth, death or pregnancy. Other exceptional circumstances may be agreed on an individual basis with your Care Co-ordinator.

### **What happens if my vouchers are lost or stolen?**

You can call **Freephone 0800 328 7411** for advice.

## **What do I do next?**

To join the childcarepass voucher scheme simply ask for a copy of a Salary Sacrifice form and Carer Agreement form provided by your Childcare Co-ordinator.

The Salary Sacrifice form alters the Terms & Conditions of your employment allowing your employer to pay part of your salary in vouchers.

**We do not recommend you take childcare vouchers if your remaining salary falls below the lower earnings limit of £4715 as this may affect your entitlement to basic state benefits.**

**The maximum amount of vouchers you will be allowed to take exempt of Tax & National Insurance £217 per calendar month. Any additional vouchers you take will be taxed and NIC as normal salary.**

Complete the Salary Sacrifice agreement form in full.

Ask your carer to complete the Carer Agreement form. All carer forms must be accompanied by a valid registration/approval certificate at time of application.

**All completed documentation should be returned by the last working day or the month to:**

**Pauline Woods – All six PCTs – Work Life Balance Co-ordinator**

**You will receive your vouchers or e-account message on the next available payday.**



## Annual childcare costs savings

Salary between £7500 & £30000	Savings @ 9.4% NI @ 22% Tax	Salary £350000 or above	Savings @ 1% NI @ 40% Tax
Vouchers taken per month	Amount Saved Per Annum	Vouchers taken per month	Amount Saved Per Annum
£217	£816	£217	£1066
£200	£754	£200	£984
£150	£565	£150	£738
£100	£377	£100	£492
£50	£189	£50	£246

**Savings are dependent on salary and relative tax rate.**

**For further information on how the scheme works within the  
Primary Care Trust call**

**Pauline Woods – PCTs - 07789512704**

**For voucher queries telephone Freephone 0800 328 7411**