

Childcare Voucher Scheme Policy

We will provide this policy on request at no cost, in large print, in Braille, on tape or in another non-written format.

INTRODUCTION

Loretto Housing have a childcare voucher scheme as a part of family friendly working practices. Childcare Vouchers are a form of salary sacrifice which entails altering an employees' contract on their request and replacing a set sum of their salary with vouchers to be used for payment for childcare.

Childcare vouchers may be used for a wide range of childcare provision for children under the age of 16. For example, they may be used for nursery provision, after school clubs or holiday schemes. They cannot be used however for care provided in your own home if the carer is a relative of the child.

Childcare vouchers are non-taxable and exempt from National Insurance Contributions up to a maximum of £55 per week / £243 per month, providing certain eligibility criteria are met.

The Childcare Voucher Scheme is available to all employees, whether full or part time, and whether on permanent or fixed term contracts.

Participation in the scheme must be confirmed in writing, by completing a salary sacrifice agreement form as it constitutes a change of contract. An employee can sacrifice up to a maximum of £55 per week or up to £243 per month of their salary to be paid in childcare vouchers. As long as those amounts are not higher, they qualify for relief from tax and NIC. The employee will save on their tax and NI deductions and the employer will save on their National Insurance Contributions.

Each employee has the right to request to join the scheme and therefore if both parents of a child are employed by Loretto Housing they may both join. Vouchers may be used for more than one child and for more than one childcare provider.

ELIGIBILITY

The following qualifying conditions must be met in order to allow participation in the childcare voucher scheme:

- The employees can only use the childcare vouchers to pay for childcare that has been registered or approved.
- The child is:
 - ❖ a child or stepchild of the employee at whose expense, either in full or in part, the child is maintained, or
 - ❖ resident with the employee and for whom the employee has parental responsibility.
- A child qualifies up to 1st September after their 15th birthday or if they are disabled, up to 1st September after their 16th birthday.
- The childcare voucher scheme is to be made available for all employees and participation in the scheme is not limited to one parent.

APPROVED CHILDCARE

The following forms of childcare may all accept childcare vouchers:

- Registered childminders, nannies and au pairs
- Nurseries
- Playgroups
- Crèches'
- Before and After School Clubs
- Holiday Clubs or Schemes
- Childcare given in the child's own home by (or introduced through) childcare agencies, including sitter services and nanny agencies which must be registered.

All childcare providers must be registered with the Care Inspectorate.

EMPLOYERS RESPONSIBILITY

It is the employer's responsibility to ensure that the conditions for participation in the scheme are satisfied (that the childcare is approved and that the employee is eligible)

The employer is also responsible for keeping reports demonstrating that the qualifying conditions have been met:

- Evidence that the scheme is offered to all staff
- Details of the child using the childcare (name and date of birth)
- details of the child carers used (their registration / approval number and expiry if applicable)

Evidence that the employees participating in the scheme are required to inform us of any changes regarding their child or the child carer.

Require those participating in the scheme to report any relevant changes regarding their child or the child carer.

EMPLOYEE'S RESPONSIBILITIES

In order to join the scheme, employees must provide the following information:

- Their relationship to the child
- The child's date of birth
- The child carer's registration or approval number (and the expiry date of the latter)

Employees must also ensure that they notify the employer immediately of any change of circumstances regarding the child or the registration / approval status of the child carer.

It is the employee's responsibility to ensure that their childcare service will accept the vouchers as a form of payment and that their own benefits are not affected adversely by participating in the scheme.

BENEFITS IMPLICATIONS

Employees should be aware that childcare vouchers as a form of salary sacrifice can affect occupational pension contributions, entitlement to working tax credit, child tax credit, maternity allowance, Statutory Maternity Pay, Statutory Paternity Pay and Statutory Sick Pay. Employees must ensure that their salary after taking childcare vouchers does not fall below the minimum wage level. Please note that The Pensions Trust consider the value of childcare vouchers to be pensionable.

IMPLICATIONS FOR NATIONAL MINIMUM WAGE

The childcare vouchers (as any other childcare benefits and salary sacrifice in return for cash) do not count towards the National Minimum Wage. It is therefore the employer's and employee's responsibility to ensure that the pay after the salary sacrifice reduction does not fall below the National Minimum Wage.

IMPLICATIONS FOR STUDENT LOAN DEDUCTIONS

Employees should be aware that childcare vouchers as a form of salary sacrifice can affect student loan repayments. These are only activated above a set amount of earnings and if the earnings are lowered the repayment may be less.

CHILDCARE VOUCHER PROVIDER

Loretto Housing have chosen a third-party provider of childcare voucher called **Computershare**. Further information and advice may be obtained from the provider on **0845 002 1111**.

APPLICATION PROCESS

You will need to complete an application form and return it to People Services. You will also then be required to complete a salary sacrifice form provided by Computershare, which will also act as a variation to your contract. A copy of this form must be forwarded to People Services by you. It is your responsibility to contact Computershare and register your details either by phoning them or online, you will need to provide Loretto Housing's scheme number which can be obtained from payroll.

You must ensure that your chosen childcare provider is affiliated to Computershare and if they are not already affiliated, refer them to **0845 002 1122**.

CHANGES / LEAVING THE SCHEME

If you decide to join the scheme you will sign up for an agreed period of at least 12 months.

However, there are some key exceptions known as “lifestyle” change events which allow you make changes to the number of vouchers you require or to leave the scheme prior to the end of the financial year.

A “lifestyle” change event can be defined as one of the following:

- Long term unpaid leave
- Maternity leave, adoptive leave, paternity leave, parental leave
- Permanent or substantially long term, contractual reduction in working hours
- A child who no longer needs childcare
- Leaving your current employment or termination of your partner’s employment
- Long term sickness of the employee or a child, which affects your use of the Childcare Scheme.
- Death of a family member or dependent, which affects your use of the Childcare Scheme.
- Marriage, legal separation or divorce, which affects your use of the Childcare Scheme.

If you want to change the amount of your childcare vouchers or leave the scheme whilst still in Loretto Housing’s employment please complete the form Childcare Voucher Scheme, Changes/Leavers request and return it to People Services.

If you leave the scheme during your employment with Loretto Housing, you will be unable to re-enter the scheme until 6 months from the termination date has elapsed.

Salary sacrifice can only be done in whole months except where employees leave Loretto Housing’s employment. Members who leave the scheme are expected to plan it in advance in order to ensure there are no leftover funds remaining in their Computershare account.

Once you have completed the Childcare Voucher Scheme, Changes/Leavers request and returned it to People Services it is your responsibility to inform Computershare of any changes to childcare vouchers including any changes in your childcare provider’s registration.

Employees are responsibility for informing Computershare directly if they leave Loretto Housing’s employment.

Employees do not need to use the vouchers in the week or month they are provided and can save them, for example, to meet higher childcare costs during school holiday periods

USEFUL SOURCES OF INFORMATION

Computershare

Tel: 0845 002 1111

Email: parent@computershare.co.uk

Website: www.computersharevoucherservices.com

Website: www.hmrc.gov.uk/childcare

Website: www.dberr.gov.uk

Website: www.scottishchildcare.gov.uk

**LORETTO HOUSING ASSOCIATION/
CHILDCARE VOUCHERS APPLICATION FORM**

**PLEASE NOTE YOU MUST RETURN THIS TO HR PRIOR TO ORDERING VOUCHERS AND
COMPLETING A SALARY SACRIFICE FORM FOR COMPUTERSHARE**

NAME: _____ **SERVICE/SECTION:** _____

JOB TITLE: _____ **HOURS PER WEEK:** _____

DETAILS OF CHILD / CHILDREN

Name _____ **Date of Birth** _____ **Relationship to Child** _____

Name _____ **Date of Birth** _____ **Relationship to Child** _____

Name _____ **Date of Birth** _____ **Relationship to Child** _____

Continue on separate page if necessary

DETAILS OF CHILDCARE PROVIDER:

NAME:

ADDRESS:

REGISTRATION NUMBER:

DATE PAYMENT TO COMMENCE:

Any changes to the above to be notified to People Services Officer

I have read and understood the terms of the childcare voucher scheme and the information I have given is correct.

I confirm:

- I am the main carer (parent named on child's birth certificate, adoptive parent or legal guardian) for which daytime care is required.
- All information supplied is correct and I will notify any changes immediately.
- I have supplied the necessary birth certificates/adoption documents as required.
- I agree to a deduction of £ _____ being made by Loretto Housing Housing/Loretto Housing Care per month as per the salary sacrifice agreement with Computershare.

Signed _____

Date _____

**LORETTO HOUSING
CHILDCARE VOUCHER SCHEME**

CHANGES / LEAVER REQUEST FORM

NAME: _____ **SERVICE/SECTION:** _____

JOB TITLE: _____ **HOURS PER WEEK:** _____

With reference to my Salary Sacrifice Agreement for Childcare Vouchers, I wish to make the change specified in the section I have completed below. (Complete one or other of the sections below, as applicable, and send it to People Services).

Change to amount of salary sacrifice

I wish to **increase/decrease***the amount of salary I sacrifice for childcare vouchers.

Current monthly amount		New monthly amount		Date new amount to commence	
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Reason I need to make the change (make sure you are eligible to make a change)

Leaving the scheme

Reason I wish to leave the scheme

Date I wish to leave the scheme	
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Signed _____

Date _____

* delete as applicable