

CHILDCARE VOUCHER SCHEME

What is the Childcare Voucher Scheme?

We recognise that working parents need a little help with saving extra money and having the flexibility of choosing their own child care provider. The childcare voucher scheme allows you to save money on your childcare whilst also allowing you to choose your childcare provider. The scheme can be used to pay for childcare for children up to 16 years of age. The scheme allows you to make savings by paying for childcare without incurring tax and National Insurance on the amount you pay.

How does the scheme work?

You can pay up to £243* for childcare directly from your salary each month. Deductions will be made from your gross salary and therefore you won't pay tax or NI on that amount. We will then pay your childcare provider directly. There is a potential yearly savings of up to £904 for basic rate tax payers and £1,196 for higher rate tax payers**

Can I join the scheme?

To be eligible for the scheme you must be...

- The parent or legal guardian of at least one child aged 0-16 years
- Using OFSTED registered childcare
- Earning enough so that your hourly rate, after the salary has been deducted, does not fall under national minimum wage

How do I join?

You can apply for the childcare scheme by completing a Childcare Salary Sacrifice Scheme Form and passing it to the HR Department. Forms will need to be received by the 15th of the month in order for deductions to be made from that month's salary and to receive benefit from the scheme.

How much can I save?

You can make savings up to a maximum of £1,196 per year. You can work out how much you will save by using the Calculator online at <http://www.hmrc.gov.uk/calcs/ccin.htm>

Can I use my Childcare money to pay for more than one of my children?

Yes, you will be asked at the time of completing your application form to specify the name of the child(ren) any payments should be made in respect of.

Can I use my childcare money to pay for other people's children?

No, you must have 'parental responsibility' for the child. This means that you must be the child's biological parent or legal guardian of the child.

Can I change my childcare arrangement while in the scheme?

Yes. You may choose to change your childcare provider at any time. Please contact the HR Department, as soon as you wish to do this to prevent any payments being affected.

Can I stop the childcare vouchers at any time?

Yes, you can. You will be required to inform us by the 15th of the month, to ensure that we can cancel any deduction due to made on that month.

Can my salary sacrifice be used to pay more than one childcare provider?

Unfortunately, at this time, the scheme does not allow for more than one child care provider to be paid.

Can both parents in the family claim for childcare vouchers?

Yes, provided both parents are working, they can claim Childcare Vouchers or payments through a salary sacrifice scheme and save up to a maximum of £2,392 per year.

Are any of my other benefits affected?

It is possible that some of your other benefits may be affected by the taking up Childcare Salary Sacrifice, however this will be dependent on your individual circumstances. Below is some guidance however, this should be considered as guidance only – **for full details please refer to the HMRC.**

Statutory benefits that may be affected including:

SMP: Childcare vouchers may reduce the amount of SMP you will be entitled to. This is because the amount of salary, which is subject to Tax and National Insurance contributions, will be reduced if you use the scheme.

SMP is calculated on average weekly earnings during week 17-25 of your pregnancy. You may wish to stop salary sacrifice for Childcare Vouchers within this period in order to benefit fully from SMP

State Pensions: Provided you pay the minimum requirements for NI Contributions, your pension should not be affected. Please contact your pension's provider for more details

Personal Pension from Myprotein: You will still be required to meet the minimum contribution towards your pension to be eligible for company contributions. For example, if your company contribution is 1.5%, you will be required to pay 1.5%. Your contributions towards your childcare, will be included in your gross pensionable pay. For further details, please contact the Human Resources Department.

Working Tax Credits: For full details please refer to the HMRC.

**Government-set limit which may be changed from time to time. Correct at time of print (January 2012)*