



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

**Would an annual saving of up to £1195 help?**

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

### Your questions answered...

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

Childcare voucher schemes are a government led initiative designed to support working parents with their childcare costs. Childcare Choice e-vouchers are an alternative method of payment for childcare. Your e-vouchers can be used to pay for all types of registered or approved care.

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

The amount of vouchers you can take is capped at £55 per week (£243 per calendar month). Your net pay after vouchers should also remain above £421 per month (£97 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.

#### **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 11% and £55 of your salary per week taken as vouchers you will save up to £962 p.a. as a 22% tax payer, and up to £1,195 p.a. as a 40% tax payer.

#### **How does the scheme work?**

You register for an online account stating how much of your salary you wish to receive as e-vouchers each pay period. You are required to complete the online Salary Sacrifice form which formally alters the Terms and Conditions of your employment and allows your employer to pay part of your salary in childcare vouchers. The vouchers are credited to your online account on pay day from where you can make payment directly into your carer's bank account.

#### **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.

#### **Will my pension be affected?**

Most pension companies are happy to accept vouchers as notional pay. If you are contributing to a personal pension scheme you are unlikely to be affected. The impact on S2P (formerly SERPS) of a single year's reduction in NI contributions is likely to be negligible.

#### **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 employer 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.

Alternatively you can visit

<http://www.hmrc.gov.uk/calcs/ccin.htm>

for access to HM Revenue & Customs Childcare Indicator .

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

Yes, the amount of vouchers that a parent or legal guardian can take is limited to £55 per week each (£243 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 I have more than one carer?**

You can register as many carers as you wish to your account.

#### **How do I use the Childcare Choice vouchers?**

You make payment directly to your carer via your online account.

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



## Where can I use my Childcare Choice 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)**

**NB Applications for approval status apply to England only.**



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

Most childcarers 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 my childcare costs vary every month?**

You can save up your 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 renew any Childcare Choice voucher for up to 18 months after expiry.

## **Can I change my carer?**

Yes. You can add another carer via your e-voucher account or by downloading a new Carer Registration Form from the Childcare Choice website.

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

To qualify for the tax and 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 employer.

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

To join the Childcare Choice voucher scheme sign up via the Childcare Choice website at [www.childcarechoice.co.uk](http://www.childcarechoice.co.uk) Your employer will provide you with a company ID to allow you to sign up. The maximum amount of vouchers you will be allowed to take is £55 per week (£243 per calendar month). Your employer may require you to complete a Salary Sacrifice form which you can print off when signing up to the scheme.

Once signed up, you can set up your carer. If your carer is already affiliated with Sodexo Pass you simply require their Sodexo Pass ID number. If your carer is not already affiliated you can fill in their known details on the online Carer Registration form and pass to your carer for completion. The form must be returned with a copy of their registration/approval certificate at time of application.

All completed documentation should be returned to Sodexo Pass for processing. You will receive your Childcare Choice vouchers on the next available payday



## Annual savings on childcare costs

Salary	£2,916 per annum (£243 per month)
£45,000	£1,195
£30,000	£962
£25,000	£962
£20,000	£962
£15,000	£962
£10,000	£962
£8,000	£962

(Savings are dependent on salary and relative tax rate)

**For further information speak to your employer or  
for voucher queries telephone Freephone 0800 328 7411**