

CHILDCARE VOUCHER SCHEME

INTRODUCTION

Tayside Contracts is committed to gender equality and to being a modern employer of choice. We recognise that all of our employees have responsibilities and interests that have to be balanced with working life. It is Tayside Contracts' intention to create a well managed, flexible working environment that supports employees and their families.

With this intention in mind Tayside Contracts has a Childcare Voucher Scheme, administered by Kiddivouchers, that fully complies with HMRC Regulations to allow employees to benefit from savings on Income Tax and National Insurance.

The Childcare Voucher Scheme is a voluntary arrangement where eligible employees can use part of their pre-tax salary to buy childcare vouchers. These vouchers can then be used to pay for/towards registered childcare, effectively reducing the cost of childcare for employees taking part in the scheme.

The maximum amount of vouchers that can be ordered is determined by HMRC and depends on the rate of tax that you pay as illustrated in the table below. The minimum amount of vouchers that can be ordered is £10 per calendar month.

	Basic Rate Tax Payer	Higher Rate Tax Payer
Maximum Weekly Voucher Amount	£55	£29
Maximum Monthly Voucher Amount	£243	£124
Maximum Annual Voucher Amount	£2915	£1489

The savings to employees depends on individual circumstances and how much Income Tax and National Insurance that they pay. The table below illustrates the maximum savings for someone paying standard National Insurance contributions.

	Basic Rate Tax Payer	Higher Rate Tax Payer
Monthly Voucher Amount	£243	£124
Maximum Annual Savings	£933	£624

Employees who are interested in joining the scheme should read the full Scheme Rules booklet published by Kiddivouchers, which can be found on Tayside Contracts intranet or is available from the HR Admin Team, along with this document.

SCOPE OF SCHEME

The Childcare Voucher Scheme is open to all Tayside Contracts employees who satisfy the eligibility criteria.

In order to participate in the scheme you must:

- I. Have a child to use the vouchers for (you cannot join the scheme prior to your child being born, or while you are on maternity/adoption/additional paternity leave for that child) and this child must be:
 - Your child or stepchild who is maintained fully or partly at your expense.
 - a child who lives with the you and for whom you have parental responsibility

- II. Earn above the National Insurance Lower Earnings Limit.
- III. Have an hourly rate that remains above the National Minimum Wage after the value of the vouchers ordered has been deducted from their pay.

Childcare vouchers can be claimed and spent for children up to the 1st September following the child's 15th birthday, or if the child has a disability up to the 1st September following the child's 16th birthday.

For the purposes of childcare vouchers night working allowance, unsocial hours allowance, standby payments, overtime/additional hours or any other form of additional payment is not considered when calculating the National Minimum Wage eligibility criteria.

The scheme allows parents or partners employed by Tayside Contracts with parental responsibility for the same qualifying child to both take part in the scheme.

If you decide to participate in the Childcare Voucher Scheme you will enter into a six month salary sacrifice agreement, during which the terms of the agreement cannot normally be varied unless you experience a significant lifestyle change, as detailed below. At the end of the six month period the salary sacrifice agreement will automatically renew, unless you contact Kiddivouchers to opt out of the scheme.

Once you have registered to participate in the scheme you must specify the amount of vouchers you wish to receive. The voucher amount cannot then be altered, nor can the order be cancelled, for at least six months, unless you experience a significant lifestyle change.

APPLICATION PROCESS

To participate in the Childcare Voucher Scheme you should visit the Kiddivouchers website, <http://www.kiddivouchers.com> or contact them directly on 0800 612 6110.

In order to register you will need to provide Tayside Contracts' scheme reference number, which is S379336M, your National Insurance number and your Pay Number (found at top right of your payslip). You will also be required to provide your contact details, the name and date of birth of the child(ren) you are claiming vouchers for and the details of their childcare provider.

If you register online you will be asked to agree to an electronic salary sacrifice agreement, if you register over the phone the salary sacrifice agreement will be read out to you and you will be asked to agree. The agreement will remain in place for a period of six months and will be stored electronically, although you may request a paper copy at any time.

This agreement shows that you have agreed for Tayside Contracts to take part of your normal salary in each payroll period in exchange for childcare vouchers, provided that sufficient salary is available to sacrifice in that payroll period, meaning that your salary will be reduced by the amount of vouchers you have chosen to receive. If there is insufficient salary to sacrifice in a particular payroll period there will be no sacrifice and you will not receive childcare vouchers.

Childcare Vouchers

Once you have signed up to the Childcare Voucher Scheme Kiddivouchers will set up an individual Kiddivoucher Account for you. This account can be accessed and managed online in a similar manner to most online bank accounts. Funds will be credited to the Kiddivoucher Account, which you can then use to pay your childcare provider.

You have the option of receiving electronic or paper vouchers.

If you choose electronic vouchers you have the option of managing these yourself and paying any amount you choose (provided there are sufficient funds in your account) at a time of your choosing. Alternatively the voucher amount can be credited directly to your childcare provider, or regular payments can be set up to go to your childcare provider on a weekly, fortnightly, four-weekly or monthly basis.

If you choose to receive paper vouchers this can be via 'print your own' vouchers that are accessed through your Kiddivoucher account, or by email vouchers that can be printed off or forwarded to your childcare provider, or these can be postal vouchers, which would be sent to your home address.

Registered Childcare

Childcare Vouchers can only be used to pay for registered childcare, which is any childcare regulated by the Care Inspectorate, including childminders, nurseries, out of school care and play schemes and care in the child's own home if this is provided by/through an agency registered with the Care Inspectorate.

Childcare that is provided by a relative of your child will not qualify for payment with childcare vouchers unless that relative is a registered childcare provider and the care does not occur in your child's own home. Childcare that is provided in your child's own home will not qualify for payment with childcare vouchers if the childcare is provided by a relative of the child.

You should contact your childcare provider to enquire if they accept childcare vouchers. Tayside Contracts and Kiddivouchers accept no liability for the standard of care provided. You must satisfy yourself of the ability and standards of the childcare provider you choose.

CHANGE OF CIRCUMSTANCES

If you participate in the scheme you will enter into a six month agreement, during which time the agreement cannot be altered unless you experience a significant lifestyle change, evidence of which may be required. Kiddivouchers will require approximately one month's notice of any changes.

Voucher orders can be decreased or increased if; you have a long term absence, or return to work following a long term absence; if your average childcare costs decrease or increase by a significant amount (routine price increases are not included); or if a dependent of yours has a serious illness or dies.

Voucher orders can also be altered if you have a significant change to your contractual hours or grade, or if there is a significant change to the amount of childcare that is paid for by a third party.

Termination of Employment

If your employment is terminated for any reason (resignation, retirement, dismissal etc.) before the end of the salary sacrifice agreement you will no longer be eligible to participate in the scheme and will cease to receive childcare vouchers.

You will continue to have access to the vouchers you have already received, via your Kiddivouchers account, until the account balance is zero.

OCCUPATIONAL PENSION CONTRIBUTIONS

If you are a member of the Local Government Pension Scheme all pension deductions will be made on your full salary, before the deduction of Childcare Vouchers, meaning that your pension contributions will not be affected by your participation in the scheme.

SALARY RELATED PAYMENTS/BENEFITS

Participating in a salary sacrifice scheme reduces your net pay and the level of Income Tax and National Insurance contributions you pay. Entitlement to some statutory benefits is based on your earnings and National Insurance Contributions and these may be affected by participation in the Childcare Voucher Scheme.

Participation in the Childcare Voucher Scheme will not affect any non-statutory benefits or payments, such as Occupational Sick Pay, Occupational Maternity Pay, pay awards, overtime, standby etc.

However, statutory earnings-related benefits, such as Statutory Maternity or Statutory Paternity Pay will be affected as these are based on your reduced salary (i.e. your original salary less your childcare vouchers and other deductions).

You should ensure you are fully aware of your own circumstances before participating in the Childcare Voucher Scheme. Further information about salary sacrifice and how it may affect benefits is available online at http://www.hmrc.gov.uk/specialist/salary_sacrifice.htm

Tax Credits

Participating in a Childcare Voucher Salary Sacrifice Scheme may affect your tax credits, specifically the childcare element of Working Tax Credit. When you register for, or phone to enquire about, childcare vouchers Kiddivouchers will conduct a brief tax credit calculation for you. However, for specific advice you should contact their local Working Tax Credit Office, or HMRC.

No/Reduced Pay Period

If you commence a period of no or reduced pay (e.g. long term absence) there may be no or insufficient salary available to sacrifice during that period. If there is no/insufficient salary to sacrifice in a particular payroll period there will be no sacrifice and you will not receive childcare vouchers.

SCHEME VIOLATIONS

Failure to comply with the terms of this policy may result in individuals being investigated and disciplinary action taken against them in accordance with Tayside Contracts' Disciplinary Policy.

RELATED POLICIES

The Childcare Voucher Scheme links to the following policies which can be accessed on the Intranet, or requested from your line manager or from the HR Admin Team:

- Equal Pay Policy
- Equality and Diversity Policy
- Flexible Working Policy
- Parental Leave Policy

- Maternity Leave and Pay Policy
- Adoption Leave and Pay Policy
- Shared Parental Leave and Pay Policy

The above list is not exhaustive.

SCHEME REVIEW

The Childcare Voucher Scheme will be reviewed at three yearly intervals, or as required by legislative changes. HMRC Regulations are outwith the control of Tayside Contracts and may change in the future, which would directly impact on the running of the scheme.

GENERAL DATA PROTECTION REGULATION

Tayside Contracts respects the privacy of our employees, any personal data processed during the application of this scheme will be in line with Data Protection Legislation. Further information on how we may process personal data for the purpose of applying this policy can be found in our Privacy Notice.

Further information about the Scheme, including the full Scheme Rules booklet, can be found on Tayside Contracts' Intranet.

Should you have any queries or require further clarification regarding any aspects of the Childcare Voucher Scheme or related policies please contact, HR Services on 01382 812721 or employment.policies@tayside-contracts.co.uk

If you would like this document translated into another language or in another format such as audio or large print then please contact Angie Thompson, Equalities and Communications Manager on 01382 834165 or angie.thompson@tayside-contracts.co.uk