

Frequently Asked Questions for Employees

Childcare vouchers

Childcare vouchers are a form of 'employer supported childcare' and an easy way for you to pay for certain types of childcare.

By opting to take part of your salary in childcare vouchers (this is also known as 'salary sacrifice'), you can take advantage of important tax and National Insurance (NI) savings.

What is Salary Sacrifice?

Salary sacrifice means exchanging part of your salary for a non-cash benefit – in this case childcare vouchers.

What type of vouchers will I receive?

Your employer has chosen Accor Services to provide the vouchers on their behalf.

Childcare vouchers are available electronically.

Electronic vouchers are the most popular format and work in a similar way to online or telephone banking. The vouchers are paid into your own online childcare vouchers account each month which you can access either via the internet or telephone to request payments to your carer(s). Using the internet, you can even set up a standing order to request repeat payments.

Significant Savings

How much of my salary can I take in Childcare vouchers?

You can choose to take up to £243 per month of your salary in childcare vouchers as this is the maximum tax and NI exempt voucher value.

How much can I save?

The exact amount you can save will depend on your individual circumstances. However, as a guide it may be possible for you to save up to **£904** per year if you are a basic rate taxpayer, and up to **£1,195** per year if you are a higher rate taxpayer.

Status	Savings
Earners with gross salary below £40,835 may save 20% tax and 9.4% NI (*contracted out)	£857
Earners with gross salary below £40,835 may save 20% tax and 11% NI (*contracted in)	£904
Earners with gross salary above £40,835 may save tax and NI dependent upon actual earning	Up to £1,195

You can calculate your Tax and NI using the calculator by visiting www.childcarevouchers.co.uk and clicking on parent, Tax and NI calculator. The calculator will ask you to state what type of NI contributions you pay. Your category is on your payslip. The choice is contracted in (A), contracted out (D), married woman's reduced rate (E) or none (this does not apply to your employer).

Can my partner take childcare vouchers as well?

Yes. The savings you can make are per person – so if you have a wife, husband or partner who also works for an employer providing childcare vouchers, you could double your household savings.

How you choose to spend these savings is entirely up to

you – whether it's on your childcare costs, treating the kids or that family holiday, the choice is yours.

Will choosing childcare vouchers have an effect on the tax credits I receive?

If you receive the childcare element of working tax credits, which provides specific support related to childcare costs, this will in most cases be affected.

You can use Accor Services' free online Tax Credit Estimator to calculate the implications of choosing childcare vouchers and decide if they are right for you. Visit www.childcarevouchers.co.uk and click on the 'Savings Calculator' in the Parents' area (your Scheme ID access code is available from your employer).

Using your childcare vouchers

Childcare vouchers are not just for babies - they can be used to pay for the care of children up to the age of 15, or 16 if they are registered disabled.

You can also use your childcare vouchers to pay for the care of more than one child as long as you have parental responsibility.

Who can I pay with childcare vouchers?

Childcare vouchers can be used to pay for a wide range of childcare including:

- home based care such as registered child minders or nannies arranged through a registered childcare agency
- care for younger children such as private nurseries and play groups
- care for older children such as out of school clubs and holiday playschemes.

You can use your childcare vouchers to pay more than one carer if you wish. The only condition is that your carer(s) will need to be registered with The Care Commission and be affiliated to the Accor Services network.

More information on registered childcare in Scotland is available on www.carecommission.com. You can also contact the local Childcare Information Service on 0845 601 4477, email childcare@perthgrammar.pkc.sch.uk or go to www.scottishchildcare.gov.uk.

For more information about registered childcare and the tax system visit www.hmrc.gov.uk/leaflets/ir115.pdf

It is likely that your chosen carer(s) has been paid previously with Accor Services vouchers and is therefore already affiliated to the network. Simply ask them for their Accor Services Account Number, which will begin with a 'P' and which you will need in order to request electronic payments. If your carer has not been paid with Accor Services vouchers before, they can complete a Childcare Provider Affiliation Request online by visiting www.childcarevouchers.co.uk and clicking on 'Accept vouchers' in the Childcare Providers' area.

You have the freedom to change your childcare arrangements whilst you are in the scheme as long your chosen carer is registered or approved, and also affiliated with Accor Services (i.e. they already have an Accor Services Account Number). New or additional carer's who are not already affiliated with Accor Services simply need to complete a Childcare Provider Affiliation Request.

How and when will my carer get paid?

Your carer will either be paid by cheque or bank transfer, depending on what method they selected when they completed their Childcare Provider Affiliation Request.

If you request a payment to your carer with electronic vouchers, Accor Services will issue it to them after you have requested it online or via the phone. Payment will be made either on the next working day or on an alternative date selected by the carer when affiliating with Accor Services.

Do I need my carer's bank account details?

No. You simply need their Accor Services Account Number in order to request payments to them via your online childcare vouchers account.

What happens if my childcare costs vary from month to month or if I only pay for childcare during the school holidays?

Take the total amount you pay for childcare in a year, divide by 12 and use this as your monthly amount which you receive in vouchers. You do not have to use childcare vouchers in the same month as you receive them. Your employer may have additional conditions on usage if you leave their employment.

Managing your vouchers

When will I receive my vouchers?

You would usually receive your first vouchers in the month following the month you joined. For example, if you submitted your Salary Sacrifice Agreement form in April, you would normally receive your first vouchers in May. Check with your employer that this will be the case for your scheme.

Who can I talk to about querying the voucher value credited to my childcare vouchers electronic account?

Any queries should be directed to your employer's payroll office.

Do I need to use my vouchers within a certain period?

You do not need to use your childcare vouchers in the same month as you receive them.

Can I get a refund for unused vouchers?

No. Childcare vouchers are a non-cash benefit and therefore may only be used to pay for childcare. You should ensure that you do not agree to receive vouchers in excess of your childcare requirements, and you must tell your employer if your circumstances change.

A change in your circumstances

When you join a childcare voucher scheme; it will usually be for a minimum of 12 months.

However, if you experience a 'lifestyle change' your employer may allow you to change the amount of vouchers you receive or leave the scheme.

Lifestyle changes may include:

- a change in the type of childcare requirements/

childcare provider

- a change to working hours or location
- leaving the organisation
- long term illness
- pregnancy, birth or adoption of a child
- divorce/end of a long term relationship
- death of partner/child
- changes to financial circumstances that mean childcare vouchers are no longer appropriate

What happens if I go on maternity leave?

This is a 'lifestyle change' and you can decide either to leave the scheme and stop receiving childcare vouchers, or to change the value of vouchers you receive.

If you are entitled to Statutory Maternity Pay (SMP), you may choose to leave the scheme before the 8 weeks reference period on which SMP is calculated to reduce the impact of salary sacrifice on your level of SMP.

Once you start receiving Statutory Maternity Pay, it will not be regarded as a qualifying salary from which a sacrifice can be made.

If I choose to leave Childcare Vouchers and join the Tax-Free Childcare Scheme, what do I need to do?

You are required to inform us within 90 days of starting Tax-Free Childcare so your childcare vouchers can be stopped. You should email employmentandpayroll@pkc.gov.uk

You can continue to use any vouchers you already have. Once you have left Childcare Voucher scheme you cannot re-join the scheme at a later date.

Childcare vouchers and other benefits

Joining a salary sacrifice scheme to receive childcare vouchers reduces your cash pay and the level of income tax and National Insurance Contributions (NICs). As your entitlement to some statutory benefits is based on the amount you earn and you're NICs, your current or future entitlement to contributions-based, earnings-related or income-related benefits may be affected.

For more information about salary sacrifice and how it may affect your benefits visit www.hmrc.gov.uk/specialist/salary_sacrifice.htm

Other considerations

During a Salary Sacrifice Agreement, childcare vouchers can only be received in a pay period where sufficient qualifying salary is due to you from which the sacrifice can be made.

Qualifying salary is pay which is due to you above the National Minimum Wage and the Lower Earnings Limit. Qualifying salary excludes any pay due to you in respect of statutory benefits, including but not limited to, statutory sickness pay and statutory maternity pay.

Another factor to consider is that a salary sacrifice must not reduce your cash pay below the National Minimum Wage or the lower earnings limit.