

Employee Information Booklet



save
on your
childcare
costs!

sign up... and start saving!

The Fideliti Childcare Voucher Scheme.

Nottingham Trent University recognises how important it is to achieve a balanced working life, particularly if you have demands made on you as a parent. We are also very aware of the high costs associated with childcare.

To help with these costs you are able to convert a portion of your salary into Fideliti Childcare Vouchers allowing you to make significant savings on your existing childcare costs.

This booklet has been designed to help you understand the way the scheme works and to determine if the scheme is right for you.

If you require any further information after reading this booklet, please contact the **Flexible Benefits Helpline on Ext 84700**.

1. How does the scheme work?

At present, your salary is subject to tax and National Insurance deductions. Under the childcare voucher scheme you are able to take a portion of your salary as childcare vouchers which are not subject to tax and National Insurance deductions. This is referred to as a '**salary sacrifice scheme**'.

Please Note: From 6th April 2011 childcare voucher legislation changed for higher rate and additional rate tax payers. Under the new rules any new employees joining the scheme will have an earnings assessment when registering to determine the maximum vouchers they are eligible to receive (see section 4 for details).

An earnings assessment will then be carried out at the start of each tax year to determine your allowance for the year ahead.

2. What is Salary Sacrifice?

- A salary sacrifice happens when an employee gives up the right to receive part of the monies due under his/her contract of employment.
- The sacrifice would be made in exchange for providing the employee with childcare vouchers.

The table below shows the potential savings you could make.

For a more accurate indication of the savings you could be making use the Fidelity savings calculator at www.fidelity.co.uk/employee

Illustrations based on 20% taxpayer assuming 'Contracted In' NI contributions.

Monthly Vouchers	Annual Savings
£50	£192
£150	£576
£243	£933

Illustrations based on 40% taxpayer* assuming 'Contracted In' NI contributions.

Monthly Vouchers	Annual Savings
£50	£252
£100	£504
£124	£625

*Please see note on page 2 regarding childcare voucher legislation changes effective from April 2011.

"How much money could I save?"



3. Are all employees eligible to join the scheme?

- Childcare Vouchers are available to all employees using registered childcare for children from 0-16 years.
- However, after the childcare vouchers have been deducted your salary cannot drop below the national minimum wage or the national living wage and it is important that your salary does not drop below the lower earnings limit as this could affect other state benefits.

If you have any queries or require any assistance in calculating your eligibility for the scheme please contact the Flexible Benefits Helpline via email at NTUFlexibleBenefits@ntu.ac.uk or call 01 15 848 4700 (Ext 84700).

4. What is the maximum contribution allowed per employee?

Based on the annual earnings assessment, employees are eligible to the following:

- Basic rate tax payer £55 per week / £243 per month
- Higher rate tax payer £28 per week / £124 per month
- Additional rate tax payer £25 per week / £110 per month

You may increase or decrease your vouchers if you experience a qualifying life event (a change in your personal circumstances).

5. Are childcare vouchers available to all employees or is it limited to each family?

- Childcare Vouchers are available to each parent or legal guardian, enabling you to make twice the saving.
- Each family could save over £1,800 per annum on childcare fees. Your partner should contact their employer to determine if they operate a childcare voucher scheme.

6. Will my childcare provider accept the vouchers?

- Childcare providers are not obliged to accept vouchers. You will provide Fideliti with the contact details for your childcare provider and an information pack will be sent to them. If they choose to register with Fideliti then they can accept vouchers.
- If you have multiple childcare providers, the voucher allowance can be allocated in any way you require.

7. What are the qualifying conditions?

Vouchers cover children up to the age of 16 and can only be used to pay registered and approved child carer(s), these include:

- Nannies and Au Pairs • Nurseries • Playgroups
- Childminders • Independent Nursery Schools
- Before and After School Clubs • Day Care
- Pre-schools • Holiday Clubs/Activities

“Did you know you can save on your childcare costs for children from 0-16 years!”



8. How will the scheme work if my childcare costs vary from month to month?

You should determine your annual childcare costs and divide this into a monthly amount. Vouchers do not have to be used each month and do not expire.

9. Can I change the amount I take in childcare vouchers?

You can change your monthly amount if you experience a qualifying life event.

10. How will this affect my pension?

Your occupational pension contributions will remain based on your full salary. If you are contributing to a Private Pension Scheme, you should discuss the possible effects with an independent financial advisor.

11. How will this affect any overtime payments or pay rises?

As your salary has been contractually reduced, this could affect any benefits based on this. Typically employers make arrangements so that these benefits are based on your full salary, please contact the Flexible Benefits Helpline if you have any queries.

12. Will my Maternity Pay be affected if I receive vouchers?

- SMP is calculated on your 'average weekly earnings' during weeks 17 – 25 of your pregnancy.
- For the purpose of calculating SMP your lower salary (after childcare vouchers have been deducted) will be used.
- By remaining on the voucher scheme throughout your pregnancy your SMP will be reduced.
- To ensure that your SMP is not reduced, you should consider whether to leave the childcare voucher scheme by week 17 of the pregnancy.

13. Will my Statutory Sick Pay and State Pension be affected if I receive vouchers?

As long as your salary does not drop below the lower earnings limit.

14. Could accepting childcare vouchers affect my Working Tax Credit (WTC) or Child Tax Credit (CTC)?

- Yes. Your entitlement to WTC and CTC is dependent on many factors including the number of hours you work, how many children you may have and whether you pay any eligible childcare costs.
- A salary sacrifice for childcare vouchers can reduce your relevant pay for tax credit purposes as the value of these benefits are not included as income. Therefore, potentially increasing the amount you receive in WTC.
- If you have childcare costs that are eligible for the childcare element of WTC, the costs eligible for the childcare element of the tax credit will be reduced by the amount of those costs met by your employer (e.g. the costs covered by a voucher). The childcare element of WTC may therefore be reduced. You should consider whether it is more beneficial to claim tax credits before agreeing to the childcare voucher scheme.
- To check whether you would be better in receipt of childcare vouchers or tax credits you can use the HMRC Childcare Indicator:
<http://www.hmrc.gov.uk/calcs/ccin.htm>.

15. Can I receive a refund for any vouchers I no longer require?

Childcare vouchers are non-refundable, so you should only order childcare vouchers that you are able to use.

16. Is there a minimum period of participation?

You are able to leave the scheme at anytime following a lifestyle change by providing one month's notice to Fideliti.

Participation in the Flexible Benefits Scheme is for the scheme year (or remainder if you join partway). However should you experience a qualifying life event you may be able to leave the childcare voucher scheme. Contact the Flexible Benefits Team for information.

17. How will I receive vouchers?

Fideliti offer 3 types of vouchers to pay your childcare provider, this allows you to choose which best suits your requirements.

1. *Electronic Vouchers*

You will be given an online account to access the Fideliti website. You can log on at any time to view your account or make payment requests. You can also set up a regular payment where Fideliti will automatically pay your childcare provider at the specified frequency.

2. *Auto-Payment Vouchers*

This is an automated payment direct to your childcare provider each month on a date you specify. The easiest method if your payments will remain the same each month.

3. *Paper Vouchers*

Paper vouchers are personalised with your details and posted to your home address to arrive on or around pay day. These are then passed on to your carer(s) who can claim them in any of the following ways:

- Tel : 0800 288 8727
- Post: returning the voucher to us at the address provided
- Email: childcare@fideliti.co.uk
- Online: via their online account

Joint Parent Accounts

If both parents are registered on the Fideliti childcare voucher scheme and have electronic vouchers, these accounts can be linked to create a joint parent account. This allows you to manage both of your vouchers through one combined account enabling you to make one payment to your childcare provider rather than having to logon and make two separate payments from two different accounts. Both parents do not have to work for the same company but do have to be registered for Fideliti Vouchers.

18. How do I apply?

To register for childcare vouchers, you need to make your benefit selection via the University's Flexible Benefits Scheme, details of which can be found via www.ntuflexbrochure.co.uk.

Once enrolled you then need to register your children/childcare provider with Fideliti.

Any further questions?

Please contact the Flexible Benefits Helpline.

Call: **0115 848 4700** E-mail: **NTUFlexibleBenefits@ntu.ac.uk**

Visit: **www.fideliti.co.uk**



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“With the money Dad saves...
We get to go to the
match every week”



“What will you do with the money you save with childcare vouchers?”

Freephone: 0800 288 8727

Email: enquiries@fideliti.co.uk

www.fideliti.co.uk



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