



Early Years Vouchers
Making childcare affordable

ADDRESS
Early Years Vouchers Ltd
14 School Lane
Heaton Chapel
Stockport
Cheshire
SK4 5DG

MAIN OFFICE
0845 0945 804/5/6
FAX
0845 0945 807
EMAIL
enquiries@childcare-vouchers.net
WEBSITE
www.childcare-vouchers.net

Employer FAQ's

Q. Are there any geographical limitations to the scheme?

A. The only geographical limitation to the scheme is that it can only be utilised in England, Wales, Scotland and Northern Ireland, subject to the laws and regulations thereof.

Q. Is there a minimum or maximum number of employees a company needs to run the scheme?

A. No, there is no restriction to the number of employees, either minimum or maximum. Most employers choose the Gold service once a certain level of employees using the scheme is reached, most HR and Payroll departments prefer us to administer the scheme for the company.

Q. Is there a minimum and maximum period that we have to agree to use the scheme for?

A. No there is not. The vouchers can be a one off or a regular amount. The agreement between the employer and employee runs for the full tax year as the benefit is calculated over the tax year for tax purposes.

Q. How does the employer benefit from running the scheme?

A. Financially, a small saving on current employers NI contributions is achieved plus all costs including the cost of the vouchers, can be offset against Corporation Tax. This makes the scheme self-financing and cost-effective for the company. The true benefit can be seen as retaining skilled staff, attracting new staff and helping skilled staff return from maternity or paternity leave. The cost of recruiting new and replacement staff is spiralling upwards and this benefit is seen as going a long way to reduce these costs and at the same time makes the company more attractive to prospective new employees. It has been shown in research that to replace an employee earning c£15,000 costs around £7500!!!

Q. What are the legislative requirements of the scheme?

A. The employer operates the scheme through the method of salary sacrifice or salary addition. It can form part of a flex benefit package. The employee takes an effective salary sacrifice and an amendment to the employees' contract of employment is required. The employer has to show the benefit is open to all employees with qualifying children. The employer may have to show the Inland Revenue that the carer is registered and produce the registration certificate. The employer has to inform the Inland Revenue that they are operating the scheme and the steps they are taking, this can be retrospective. Early Years Vouchers Ltd can provide a letter for this purpose. For more details please ask us for advice and consult the Inland Revenue documents on our download page.

Q. What does the scheme cost the company?

A. Early Years Vouchers Ltd charge a small service fee to administer the scheme and this charge starts at 5% and is dependant on the level of service.

Early Years Vouchers Ltd can also provide, on a franchise and consultant basis, bespoke packages to suit larger organisations.

To offset these costs, the total cost of the scheme including the childcare vouchers can be offset against Corporation Tax. The vouchers are also exempt from National Insurance for the

employer up to the monthly rate of £243.00, enabling the employer to save up to 12.8% of the voucher value, depending on the NI number.

Support for the Gold service is free on 0800 088 7515.

Whilst we endeavour to keep admin charges free there will be a charge made if account holders persistently want vouchers changing or altering. Please make sure that you issue correctly. Normally alterations come from the employee and they are responsible for meeting the costs incurred.

Q. How does the Standard scheme operate on a day-to-day basis?

A. Once the employer has registered with Early Years Vouchers Ltd, the scheme is easy to run by accessing an online account. The employees request the vouchers from the employer from within their employee account, supplying the details required for the voucher issue on the voucher request form online. The request form can also be downloaded from both the employer and employee admin sections should the employer desire. The employer simply authorises the request online and the request is transmitted to the employee by email. Administration control and reporting is accessed online where the employer can see an overview of the request account and can access voucher statistics. As a request is issued an invoice is automatically submitted to the employer for settlement. This can be settled by BACS payment or company cheque. Once the invoice has been met with cleared funds the vouchers are sent to the employees. It may be that an employer does not want to administer the scheme in-house. In such a case the employer can choose the Gold Service and Early Years Vouchers Ltd can administer the scheme on behalf of the employer at an extra cost.

Q. What would be the advantages and cost of utilising the Gold Service?

A. The advantages are that the company does not have to dedicate any of their Payroll or HR personnel to administer the scheme and all voucher requests from their employees are dealt with by Early Years Vouchers Ltd. Early Years Vouchers Ltd administer the scheme for the employer and take over all the voucher administration and day-to-day running. A schedule of events is agreed between the company and Early Years Vouchers Ltd with regard to dates for voucher requests, authorisation and issue, invoicing and account settlement. Again the service is run by the employees requesting vouchers either through an online account or by contacting Early Years Vouchers Ltd direct with their voucher requests. The requests are collated and entered into a monthly pending file for authorisation by the employer. Once authorised by the employer Early Years Vouchers Ltd then issue confirmation to the employees, and at the same time the company is issued an invoice for settlement by the date agreed, at the service charge agreed.

The service charge for the Gold Service is dependant upon the level of service required and the numbers using the scheme and starts at 5%. There are no support costs for using the Gold Service and a free phone number is used for support purposes and general contact.

Q. What are the important actions the employer needs to ensure are fulfilled?

A. 1. Keep a record of the promotion of the scheme and be able to show it is offered to all employees where applicable. This could be a poster, a launch email or company policy document.

2. Keep a record of the certification of the childcare provider. The record can be kept by the scheme operator. The date of registration renewal and the registration number need to be recorded.

3. Show that the employees using the scheme have to inform you of any changes in the legal requirements/registration of the care provider.

4. Ensure that the employee provides you with the information required on the voucher request form as some of the information may be required for revenue inspection.

5. Ensure that minimum wage criteria are upheld and that the employee is made aware of any issues that are dependant upon gross pay, like bonuses etc.

6. Ensure that the employee is aware that reductions in salary can affect any benefit that is reliant upon the amount of National Insurance paid, like sick pay, maternity pay etc.

7. It may be that Tax Credits are affected so we recommend that you advise your employees to use the Tax Credits help-line on 0845 300 3900 (Great Britain) or 0845 603 2000 (Northern Ireland).

8. Ensure at all times you are acting in the best interests of your employees.

9. Keep a copy of the agreement you have with the voucher supplier.

10. Ensure that the employee agrees to a salary sacrifice or salary addition and that the correct procedures are carried out.

Q. Can the employer obtain pre-approval from the Inland Revenue for the scheme?

A. No. There are some specific schemes that can be pre-authorised and these are set out in Inland Revenue documentation. Childcare vouchers are not one of those schemes listed so pre-approval is not possible at this time. The revenue do seem to indicate that as long as the particulars for registration for the carer are met, the provision of an effective salary sacrifice by the employee is made, and the child is a qualifying child then the scheme will be authorised. Please refer to the legislation section on the website to gain further information.

Q. How does the employer gain Inland Revenue approval for the scheme?

A. Early Years Vouchers Ltd will supply a letter with which the employer can approach the Inland Revenue for scheme approval, but the Revenue say that is a voluntary requirement, not compulsory.

Q. Does the employee have to go through the company to administer or check their voucher account or do they have their own account?

A. The employees have their own login process and password to check their own account status. They also request vouchers from their account.