

Childcare Voucher Scheme

A childcare voucher scheme is in place aimed at helping reduce the cost of childcare for our employees.

Affordable child care is one of the main priorities for many working parents. And with over one-in-four Health Board staff having children under the age of five, child care is a big issue for, quite literally, thousands of us.

The new voucher scheme, which is run by **Edenred**, will help staff with young children save on their childcare costs.

All eligible working parents, with children up to the age of 16, are entitled to childcare vouchers.

What is the Childcare Voucher Scheme?

It's a national policy initiative which supports the Government's aim of increasing good quality childcare provision, thereby enabling parents to stay in work.

Under the terms of the scheme, staff who want to take part will agree to exchange a part of their salary for a childcare voucher equal in value to the amount of salary exchanged. This will last for as long as the childcare vouchers are needed.

This exchange of salary occurs before tax, superannuation and National Insurance contributions are deducted. In law it means an employee gives up part of the pay due to him or her and usually this is done in return for the employer's agreement to provide a non-cash benefit. In this case, the benefit would be the childcare vouchers.

The advantage of salary exchange managed in this way is that you (the employee) do not have to pay tax, national insurance and superannuation on the amount of salary exchanged.

This means you get far more back in real terms for what you exchange (see examples below) although your pensionable pay is also reduced but only for as much as you exchange and for as long as you are exchanging salary.

Similarly, the Health Board also does not have to pay on the national insurance and superannuation contributions it would normally have to pay the Treasury.

Both parents are able to apply for vouchers, provided they are employed and paying Tax through PAYE. The vouchers can only be used to pay for childcare which has been registered or approved.

Below are the details for joining the child care voucher scheme:

Edenred Helpdesk on 0800 247 1244 or via <http://www.childcarevouchers.co.uk/Pages/Default.aspx>.

You will also need your payroll number and ABMU's ID number which is ABER2726

The Voucher scheme is effective in the Health Board from the 1st May 2012.