

Childcare vouchers

Your questions answered

What are childcare vouchers?

Childcare voucher schemes are a government initiative designed to support working parents with their childcare costs. Childcare vouchers are a method of payment which can be ordered and used to pay for all types of registered childcare.

How does the scheme work with Parasol?

If you choose to take up childcare vouchers, we've chosen to partner with Sodexo, who administer the programme through Parasol's Optionis Rewards scheme. A deduction will be made from the invoice total for your requested value of Childcare Vouchers. As childcare vouchers are a gross deduction, you will not pay Income Tax or Employees National Insurance on the value of the childcare vouchers deducted. This could be a saving of up to £933 per year in your childcare costs (depending on your level of earnings). The deducted amount for the previous month will be deposited in your Sodexo Childcare Voucher account by the 15th of each month. We will only deduct the request amount, if after such amount is deducted, the remaining amount is sufficient to cover the National Living Wage. If the remainder would not be sufficient to cover the National Living Wage, we will only deduct such amounts as are in excess of the National Living Wage.

If you don't receive any earnings or you're in receipt of statutory sick pay or statutory maternity or paternity

pay, no deduction for childcare vouchers can be made. Therefore no contributions will be paid by Parasol but you will still remain a member of the scheme.

Deductions will recommence in your next payroll period for the requested amount. Remember, if Parasol cannot deduct the requested amount in any payroll period, you will have to make provision to cover the shortfall by other means.

Each month, Sodexo will credit your online childcare voucher account. You simply pay your childcare provider with the vouchers.

You can pay e-vouchers directly into your childcare provider's bank account (they will receive this payment, by BACS, within 3-5 working days).

Who can join the scheme?

You can join the scheme if:

- You are a parent or have parental responsibility for a child
- Your child is 15 years old or younger (vouchers can be used until 1st September following their 15th birthday, or 1st September following their 16th birthday if they are registered disabled)
- Your earnings will remain above the National Living Wage AFTER you take your vouchers.

Is there a limit to the amount of vouchers I can have?

Rate	Amount you can take		
	Weekly	Monthly	Annually
Basic	£55	£243	£2916
Higher	£28	£124	£1484
Additional	£25	£110	£1325

Parasol will carry out a Basic Earnings Assessment (BEA) and the result from this BEA will tell you how much you can receive in childcare vouchers.

Can my partner and I both have vouchers?

Yes – each parent can take vouchers, so together you could save even more on your childcare costs. If your partner's employer does not have a childcare voucher scheme, Sodexo would be happy to talk to them about the benefits.

Call 0800 328 7411 for more information.

How much could I save?

The amount you save depends on the level of tax and NI you pay.

Your rate	Savings per year
Basic	Up to £933
Higher	Up to £623
Additional	Up to £622

When can I join the scheme?

You can join the scheme at any time throughout the year, as long as you are employed by Parasol and on assignment at the time.

How do I use my vouchers?

E-vouchers allow you to pay your childcare provider directly from your online childcare voucher account, so you choose when and how much to pay your childcare provider. You can set up a regular payment if you pay your childcare provider monthly. You can also add a reference to each payment, making it easy for your childcare provider to spot.

Can the vouchers go out of date?

Vouchers are valid for up to 18 months. If the vouchers are allowed to expire before they are used, they will lapse. However, expired vouchers may be re-issued on request by the parent, to Sodexo. Please contact the Customer Care team at Sodexo for further information; 0800 328 7411.

What if my childcare costs vary every month?

Your vouchers won't expire for 18 months, so you can save some for when you have a more expensive month e.g. during the school holidays.

What if my childcare provider doesn't know about the Scheme?

Many childcare providers already accept childcare vouchers as payment. If your childcare provider is not yet registered with Sodexo, they simply need to complete a Childcare Provider Registration Agreement. There is a useful leaflet available to explain the scheme to your childcare provider – [click here](#) to download a copy.

What if I have more than one childcare provider?

With e-vouchers you have complete flexibility on who to pay and when.

Can I change my childcare provider?

Yes, as long as they're registered with Sodexo. Simply log into your online account and print a Childcare Provider Registration Agreement, or ring the customer care team on 0800 328 7411. Ask your childcare provider to complete the form and send it, with a copy of their registration certificate, to Sodexo.

Please note that under HMRC guidelines, you have a responsibility to inform Sodexo of any changes to your provision of childcare.

Will my claim for working tax credit (WTC) be affected?

There may be an effect on the childcare element of the WTC. It is advisable to contact the WTC helpline on 0845 300 3900 prior to applying for childcare vouchers. Alternatively visit www.hmrc.gov.uk/specialist/salary_sacrifice.htm

Will my pension be affected?

Most pension providers are happy to accept vouchers as notional pay, in which case your pension will not be affected. However, we always recommend that you check with your pension provider before you decide to join the scheme.

What happens if my vouchers are lost or stolen?

Please call Sodexo on 0800 328 7411 for advice.

What will happen when tax-free childcare is introduced in 2017?

Tax-Free Childcare (TFC) is a new government initiative which is due to replace the existing Childcare Voucher Scheme in early 2017.

As an existing member of the current childcare voucher scheme, you will be able to choose whether you continue to receive childcare vouchers or switch to the new scheme in 2017. This is a great position to be in – you can simply select the scheme that is more financially beneficial for you.

For more information about the new system that will be launching early 2017, visit www.tax-free-childcare.info.

What are the benefits of childcare vouchers?

They are available now (the new scheme doesn't come into effect until 2017).

- 66% of parents will be better off with the existing childcare voucher system*. Parents can still choose to join the childcare voucher scheme until TFC is phased in
- Your existing childcare vouchers can be used to pay for registered childcare until your child is 15, (the new scheme will only be available to pay for childcare up until a child is 12 years old)
- Your existing childcare vouchers are available to families where only 1 parent works, (the new scheme requires both parents to be working)
- The current vouchers are available to higher earning working parents, (the new scheme is not available to parents earning over £150,000)



* Sodexo survey of more than 5000 working parents, 2015