

Employee Information Booklet



save
on your
childcare
costs!

sign up... and start saving!

The Fideliti Childcare Voucher Scheme.

Your employer recognises how important it is to achieve a balanced working life, particularly if you have demands made on you as a parent. They 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 **Fideliti Helpline on 0800 288 8727**.

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 (up to £55 per week or £243 per month if monthly paid) 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 the government have proposed to change childcare voucher legislation for higher rate-tax payers. Under the new rules of the scheme higher rate tax payers will only be eligible to receive £28 per week in childcare vouchers. Basic rate tax payers will still be eligible to receive the maximum allowance of £55 per week.

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 'sacrifice' is effective when the employee signs the salary sacrifice agreement to vary their terms and conditions of employment. This variation relates to the right to receive contractual salary only.

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 out' NI contributions.

Monthly Vouchers	Annual Savings
£50	£177.60
£150	£529.20
£243	£857.30

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

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

Monthly Vouchers	Annual Savings
£50	£246
£150	£738
£243	£1,196

"How much money could I save?"



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 (rate from 1st October 2010 - £5.93) and it is important that your salary does not drop below the lower earning limit (£97 per week) as this could affect other state benefits.

If you have any queries or require any assistance in calculating your eligibility for the scheme please speak to the **Fideliti Helpline on 0800 288 8727**.

What is the maximum contribution allowed per employee?

- Each employee is entitled up to £55 per week (or £243 per month, if monthly paid) exempt from tax and NI.
- You may increase or decrease your vouchers by providing one months notice to Fideliti.

Is the £243 a month exemption available to every employee or is it limited to each family?

- This is available to each parent or legal guardian, enabling you to make twice the saving.
- Each family could save over £2,200 per annum on childcare fees. Your partner should contact their employer to determine if they operate a childcare voucher scheme.

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 £55 per week or £243 per month can be split any way you require.

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.

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:

- 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!”



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.

Can I change the amount I take in childcare vouchers?

You can change your monthly amount but you must give one month's notice to Fideliti.

How will this affect my pension?

The effect on pensions will vary depending on your personal circumstances and the NHS pension scheme you are in. As your salary is reduced by the value of vouchers selected your pension contributions and level of earnings will also be lower. If you are concerned you should seek advice from an independent financial adviser or the pension adviser for the Health Board.

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 (£97 per week) these benefits will not be affected.

Will my Maternity Pay be affected if I receive vouchers?

- If you are entitled to Occupational Maternity Pay (OMP) or Occupational Adoption Pay (OAP) for the purpose of calculating your OMP/OAP your notional salary (full salary) will be used.
- If you will only receive Statutory Maternity Pay (SMP) this is calculated on your 'average weekly earnings' during weeks 17 – 25 of your pregnancy. Statutory Adoption Pay (SAP) is calculated in the 8-week period prior to your matching date (approximately).
- For the purpose of calculating your SMP/SAP pay your lower salary (after childcare vouchers have been deducted) will be used. By remaining on the voucher scheme throughout the qualifying period your SMP/SAP pay will be reduced.
- To ensure that your SMP/SAP pay is not reduced, you should consider whether to leave the childcare voucher scheme by week 17 of the pregnancy or prior to your qualifying period.

What will happen to my childcare vouchers when I finish for maternity/adoption leave?

- If you have chosen to remain in the Childcare Voucher scheme during the qualifying period for maternity or adoption pay, you are entitled to continue to receive childcare vouchers throughout your maternity/adoption leave.
- Whilst you are in receipt of Occupational Maternity Pay/Occupational Adoption Pay vouchers will continue to be sacrificed from your salary for as long as their enough OMP/OAP to make the sacrifice from.
- Once you have to come to the end of OMP/OAP or in the case of your OMP/OAP not covering the cost of the voucher the Trust will cover this cost.

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>.

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. However, if you leave the scheme you will not be allowed to re-join until after the next anniversary of your start date.

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. 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 in the pre paid envelope supplied.
- Email: childcare@fideliti.co.uk
- Online: via their online account

2. 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.

3. 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.

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.

How do I apply?

- **Online**

You can register online at www.fideliti.co.uk/employeeregister. Please quote the relevant scheme reference number.

Trust Name	Online Scheme Reference
Blackpool Fylde & Wyre NHS Trust	NHS1264
Blackpool PCT	NHS2487
Central Lancashire PCT	NHS1373
Lancashire Care Trust	NHS7445
Lancashire Teaching Hospital NHS Trust	NHS8724
North Lancashire PCT	NHS5766
NHS North West	NHS6335

Alternatively, please call the Fideliti Helpline on 0800 288 8727 and a member of our Customer Care Team will forward you a Salary Sacrifice Agreement Form. Please return the completed form directly to us in any of the following ways:

- **Post** Fideliti Limited, Spectrum Arena, Benson Road, Birchwood, Warrington, WA3 7PQ.
- **Fax** 01925 282005
- **E-mail** enquiries@fideliti.co.uk

Any further questions?

Please contact the Fideliti Helpline.

Call: **0800 288 8727** E-mail: enquiries@fideliti.co.uk

Visit: www.fideliti.co.uk

“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

Fideliti Ltd

Spectrum Arena, Benson Road, Birchwood, Warrington WA3 7PQ.