

# Apple Childcare Vouchers

**Employee Scheme Guide**



**apple**  
childcare vouchers

giving you healthy savings on your childcare fees...

# introduction

- You as a working parent will appreciate the importance of finding the right childcare for your children while you are at work - this can be difficult due to continually increasing costs.
- **Apple Childcare Vouchers** are the simple, easy and convenient way to save up to £933 per annum on your childcare costs.
- This can be achieved as **Apple Childcare Vouchers** are offered through your employer as a staff benefit and are exempt from tax and National Insurance contributions on the first £55 per week or £243 per month for a standard-rate tax payer, £28 per week or £124 per month for a higher-rate tax payer and £25 per week or £110 per month for an additional-rate tax payer.
- **Apple Childcare Vouchers** make the whole process straightforward, simple and easy with flexibility assured to suit your personal circumstances and your childcarers.

# how the scheme works

- **Apple Childcare Vouchers** are offered by employers to employees as a staff benefit through salary sacrifice.
- This means that you agree to reduce your salary in exchange for **Apple Childcare Vouchers**. The face value of the vouchers are exactly the same as the amount you have selected to sacrifice, however, the voucher value will be reduced from 'gross' pay and therefore exempt from tax and National Insurance contributions.



The employee registers through a simple online application process (for those employees who don't have internet access, you can contact our telephone support team to register)



The employer will complete an earning assessment which will determine how much the employee is entitled to receive in childcare vouchers



The employee selects their individual voucher value which is based on the earning assessment and the employee will be asked to accept that they are reducing their salary in exchange for childcare vouchers. Once this has been accepted, the employee will be issued with a salary sacrifice agreement.



Apple Childcare Vouchers will invoice the employer for the requested voucher value on an agreed date to coincide with the company payroll



The employer reduces the employee's salary by the requested voucher value



The employer pays the voucher values direct to Apple Childcare Vouchers



Apple childcare vouchers allocate the funds as the employee has requested



Apple Childcare Vouchers issue a remittance advice to childcarers as soon as payment has been made

# payment options

**Apple Childcare Vouchers** offer employees flexibility to make transactions to nominated childcarers as quickly and easily as possible. Whether you are paying a nursery a set or fluctuating amount each month, paying weekly or monthly for a childminder, paying a number of different childcarers, ad-hoc payments for after-school clubs or holiday play schemes, **Apple Childcare Vouchers** have designed a payment option to suit your needs.

<b>Automatic Payments</b>	Select this option and Apple Childcare Vouchers will automatically pay your childcarer directly into their bank account within three days of receiving the funds from your employer.
<b>Internet Payments</b>	Select this option and your voucher value will be credited to your internet account within three days of receiving funds from your employer. You will be able to log into your account using your username and password to make payments direct to your childcarer at a frequency to suit you.
<b>Paper or E-mail Vouchers</b>	A paper voucher can be printed or e-mailed and sent to you for you to present to your childcarer. Your childcarer will have to redeem the voucher through a simple online process or by telephone.

## how much can I save?

The amount of tax and National Insurance contributions you will save through **Apple Childcare Vouchers** depends on whether you are a standard, higher-rate or additional-rate tax payer.

The annual savings outlined below are available from 6th April, 2011.

	<b>Basic Rate Tax Payers (32%)</b>	<b>Higher Rate Tax Payers (42%)</b>	<b>Additional Rate Tax Payers (47%)</b>
Weekly tax exempt amount	£55	£28	£25
Monthly tax exempt amount	£243	£124	£110
Annual tax exempt amount	£2,916	£1,484	£1,325
Employee Savings	£933	£623	£623

*\*£243 is based on £55 per week x 53 weeks per year divided by 12 for a standard-rate tax payer*

*\*£124 is based on £28 per week x 53 weeks per year divided by 12 for a higher-rate tax payer*

*\*£110 is based on £25 per week x 53 weeks per year divided by 12 for a additional-rate tax payer*

For more information on savings, please use our online savings calculator at:

[www.applechildcarevouchers.co.uk](http://www.applechildcarevouchers.co.uk)

**‘Apple Childcare Vouchers are the simple, easy and convenient way to save on your childcare costs.’**

# eligibility

If you can answer 'yes' to the following four questions, you are eligible to join **Apple Childcare Vouchers**:

- 1 Is your nursery, child minder, playgroup, nanny, before-and after-school club or holiday play scheme a registered childcare provider?
- 2 Are you the parent or legal guardian of the child?
- 3 Is the child under the age of 16?
- 4 Do your earnings, after the salary sacrifice, remain above the national minimum wage?

(If you need to check, visit our online calculator at [www.applechildcarevouchers.co.uk](http://www.applechildcarevouchers.co.uk)).

## registering with apple childcare vouchers

To use **Apple Childcare Vouchers**, your employer must register with the **Apple Childcare Vouchers** Scheme.

If your employer has not already registered, please contact us and we will register your interest and contact your employer on your behalf.

If your employer is registered with **Apple Childcare Vouchers**, you can register:

- 1 Online at [www.applechildcarevouchers.co.uk](http://www.applechildcarevouchers.co.uk) and complete the simple and easy online registration process.
- 2 If you do not have internet access, you can phone a member of our team on **0845 602 9459** and register over the telephone.



# frequently asked questions

## **What is salary sacrifice?**

Salary sacrifice means that you reduce (or sacrifice) part of your normal salary in exchange for the same value, in the form of Apple Childcare Vouchers. In order to comply with HMRC regulations, when you enter the scheme, or each time you amend your voucher value you will be required to enter a salary sacrifice agreement which acts as an amendment to your contract of employment. This agreement is made automatically through the online registration/amendment process.

An HMRC guide to salary sacrifice is available from your tax office or online to download at: [www.hmrc.gov.uk/specialist/salary\\_sacrifice.pdf](http://www.hmrc.gov.uk/specialist/salary_sacrifice.pdf)

## **How does salary sacrifice save me money?**

Childcare vouchers are exempt from tax and national insurance so by entering into the scheme, you can save up to 42% of the voucher value.

## **Is there a minimum and maximum amount that I can sacrifice?**

The maximum voucher value is £55 per week or £243 per month for a standard-rate tax payer, £28 per week or £124 per month for a higher-rate tax payer and £25 per week or £110 per month for an additional-rate tax payer. There is a minimum voucher value of £5 per month.

## **Will the voucher value be classed as a benefit in kind?**

No, unless your employer pays the voucher value in addition to your salary and you receive more than the maximum voucher value.

The voucher value in excess of the maximum per week will be classed as a benefit in kind.

## **Can both parents join the scheme?**

Yes, both parents are entitled to receive up to the maximum voucher value per month in childcare vouchers which means savings can be as high as £1,866 per annum.

## **How are childcarers paid?**

Childcarers are paid through a secure BACS transfer directly into their bank account from Apple Childcare Vouchers. Whether the employee has requested automatic payments, internet payments or paper vouchers, the actual payment method is the same for each account option.

## **Can I use my vouchers for more than one childcarer?**

Yes, the childcare vouchers can be used for any registered childcare provider. All you need to do is ensure that the childcare provider registers with Apple Childcare Vouchers.

## **Will salary sacrifice affect pay rises, overtime and bonuses?**

When entering into a salary sacrifice scheme, you are agreeing to reduce your salary and therefore any benefits that are linked to salary may be affected. An employer usually makes considerations for this, however, and ensures that all salary related benefits are based on your notional salary (your reduced salary plus your voucher value). If your employer has done this, pay rises, overtime and bonuses will not be affected.

## **Will salary sacrifice affect my maternity pay and can I continue with the scheme while I am on maternity leave?**

Statutory Maternity Pay (SMP) is calculated on your average earnings over a period of time before your maternity leave starts, therefore if you use vouchers during this period, your entitlement to SMP will be reduced. If you receive enhanced maternity pay from your employer, the effects on using Apple Childcare Vouchers will depend on how your employer calculates maternity pay. In both cases, your employer will be able to advise.

If you are receiving enhanced maternity pay, you can continue in the scheme as long as you are not reducing your salary below the national minimum wage. If you are only in receipt of SMP, you cannot continue the scheme as you cannot reduce a statutory payment. For more information, please contact your employer.

## **Will salary sacrifice affect any mortgage offer?**

Employers will generally provide you with a reference based on your combined reduced salary and salary sacrifice voucher value (notional salary).

## **Will salary sacrifice affect my state pension?**

Your state pension should not be affected as long as you pay the minimum requirement for national insurance contributions. Your local tax office will be able to provide you with more information.

## **Will salary sacrifice affect my company pension scheme?**

Your employer may have made arrangements to ensure pensionable salary is based on your notional salary and not your reduced salary. If your employer has made this arrangement, your pension will not be affected, however, if they have not, your pension contribution may decrease and your eventual pension entitlement may be affected. Your pension administrator or your employer will be able to provide you with more information.

## **Will salary sacrifice affect my tax credits?**

Working tax credits are calculated on your total taxable income; therefore as you are reducing your salary in exchange for childcare vouchers, your working tax credits entitlement could be increased.

As you are receiving childcare vouchers from your employer, however, you are paying less for your childcare provision and this may have an impact and lower the amount you can claim in the childcare element of WTC.

If you are receiving the childcare element of WTC, you must inform the HMRC that you are now receiving childcare vouchers.

Each individual's circumstances are different. In order to help you decide if you will be better off using childcare vouchers, please visit the HMRC calculator at [www.hmrc.gov.uk/calcs/ccin.htm](http://www.hmrc.gov.uk/calcs/ccin.htm)

**Apple Childcare Vouchers administer the scheme according to HMRC regulations. Apple Childcare Vouchers are not financial advisors and you should seek independent financial advice.**



## contact details

3 London Road

Alderley Edge

SK9 7JT

**[www.applechildcarevouchers.co.uk](http://www.applechildcarevouchers.co.uk)**

e-mail: [info@applechildcarevouchers.co.uk](mailto:info@applechildcarevouchers.co.uk)

tel: 0845 602 9459

fax: 01625 583 840