

# BUSY BEES

CHILDCARE VOUCHERS



Childcare has never been more  
**affordable!**

Parent Information Pack

# Introduction

Your employer, in conjunction with Busy Bees has introduced, as part of its family friendly initiative, a more flexible way to meet the costs of your childcare, under which part of your wages or salary can be given up or "sacrificed" in exchange for Childcare Vouchers. Within specified limits, these vouchers are non-taxable and exempt from National Insurance Contributions and therefore represent a saving for employees who receive them as part of their total employment package. The Childcare Vouchers received are then exchanged, in whole or part, for the childcare services you use.



# About Busy Bees

Busy Bees Group was founded in 1983 by working parents who were all involved in various aspects of care and education and who required the best care for their own children.

Busy Bees Childcare Vouchers were launched in 1998 and today the company employs over 200 staff who are all dedicated to the management and administration of Childcare Voucher Schemes.

Busy Bees have built valuable client relationships with a number of the UK's leading businesses. Many public sector bodies, including Police Forces, Councils, NHS Trusts and Government departments all trust Busy Bees to provide an efficient voucher service.

Busy Bees are committed to provide a world class customer service to parents, carers and employers.

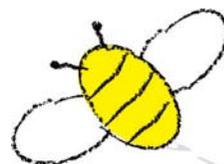


# The way it works

The Voucher Scheme works by changing what your employer has to "pay" you in a particular pay period, for example a month. A "pay period" is the period of time for which you are paid, whether weekly, four weekly or monthly. In any pay period, for example a month, in which you wish to receive Childcare Vouchers you give up the right to receive your full wages or salary and instead you and your employer agree that you will be entitled to receive a reduced payment of wages or salary plus the agreed value of Childcare Vouchers. The total value you receive, your total "emoluments", will remain the same.

This agreement between you and your employer to alter how you receive your total emoluments, is known as a "salary sacrifice" arrangement. You and your employer agree that you can "sacrifice" part of the salary that is due to be paid to you in exchange for receiving Childcare Vouchers with a face value that is equal to the salary you have "sacrificed".

Outlined in the following pages are answers to some of the questions most commonly asked. However, more comprehensive advice specific to your circumstances can be obtained by contacting Busy Bees directly on Freephone **08000 430 860** or you may wish to contact your Human Resources Department or Childcare Co-ordinator if appropriate.



# How much can I save?

The amount of Income Tax and National Insurance Contributions you will save under the arrangement depends upon your current salary. From 6th April 2007 each parent or legal guardian can receive Childcare Vouchers, which are non-taxable and exempt from National Insurance up to £55 per week (£243 per month).

The savings outlined below are available from 6th April 2007.

**Annual savings based on monthly childcare costs of**

		£50	£100	£150	£200	£243
<b>Annual salary</b>	£40k +	246	492	738	984	1196
	£10k - £39k	198	396	594	792	962

For use as general guidance only.

Contact Busy Bees on **08000 430 860** to find out how much you can save.

### PLEASE NOTE:

A number of state benefits are dependent on maintaining a minimum level of NI Contribution (e.g. Statutory Sick Pay and Job Seekers Allowance). The Childcare Voucher "salary sacrifice" arrangements may not be appropriate if the amount of "pay" that you would receive under the "salary sacrifice" arrangement means that your "pay" or income which is paid to you as cash, either directly in your wage packet or into your bank account, would be less than £5,225 per annum (£435 per month) 07/08 tax year.

# Where can I use vouchers?

## If I use vouchers am I restricted in the type of childcare I choose?

In the main the answer is **No**. Vouchers can be used to pay for a wide range of childcare provision, but all carers who receive vouchers as payment must either be registered with OFSTED or with the equivalent authority for Scotland, Wales or Northern Ireland or have approved status.

## Registered and approved childcare includes:

- Registered childminders, nurseries and play schemes.
- Out-of-hours clubs on school premises run by a school or local authority.
- Childcare schemes run by school governing bodies under the 'extended schools scheme'.
- Childcare schemes run by approved providers, for example an out-of-school hours scheme or a provider approved under a Ministry of Defence accreditation scheme.
- In England only, childcare given in the child's own home by a person approved to care for your child or children.\*\*
- In England only, childcare given in the child's own home by a domiciliary worker or nurse from a registered agency who cares for the child or children.
- In Scotland only, childcare given in the child's own home by (or introduced through) childcare agencies, including sitter services and nanny agencies, which must be registered.



- Approved foster carers (the care must be for a child who is not the foster carer's foster child).

\*1st September following 15th birthday or 1st September following 16th birthday for children with disabilities.

\*\*Childcare provided in the child's own home will not qualify if the person approved to give that childcare is a relative of the child.

Please note that it is the Employee's responsibility to inform their Employer of any changes to their Childcare Provider including changes to registration or approval status.

## Childcare Vouchers not just for Pre-school children!

Many parents do not realise the extent to which Childcare Vouchers can be used.

If you are a parent with a child under the age of 16\* and you use any form of registered childcare provision, you could be benefiting from non-taxable and National Insurance exempt Childcare Vouchers.

## The following forms of childcare can all accept Childcare Vouchers:

### Children under 8 years old in... Children over 8 years old in...

- |                                   |                                      |
|-----------------------------------|--------------------------------------|
| - Independent Nursery Schools     | - Registered Childminders            |
| - Day Nurseries                   | - Workplace or Partnership Nurseries |
| - Playgroups                      | - Before School Clubs                |
| - Creches                         | - After School Clubs                 |
| - Registered Childminders         | - Holiday Clubs or Schemes           |
| - Before and After School Clubs   |                                      |
| - Nannies and Au Pairs (approved) |                                      |
| - Holiday Clubs or Schemes        |                                      |

-List not exhaustive.

# Carer Registration

## Why does my carer have to register with Busy Bees?

In order for Busy Bees to pay your carer we need their bank details. We are also required to check that they are registered with OFSTED or with the equivalent authority for Scotland, Wales or Northern Ireland or have approved status. All carers are paid by BAC's transfer.

For a registration pack for your childcare provider please contact Busy Bees on Freephone **08000 431 515** or ask your carer to visit **www.busybeesvouchers.com** where they can register online.

## What does it cost my carer to register with Busy Bees?

Absolutely nothing. Busy Bees will cover the cost of postage and telephone calls for all carers who accept our vouchers, so it does not cost them a penny. They can even check their account or redeem their vouchers online.



## How does my carer register with Busy Bees?

Your carer can either use our online application form or download the Voucher Redemption Agreement by logging onto our website at **www.busybeesvouchers.com**, go to the "Carer Section" or alternatively your carer can call Busy Bees on Freephone **08000 431 515** and we will send them a "Carer Pack" by post for them to complete and return.

# Important Information

## Statutory Maternity Pay

Statutory Maternity Pay (SMP) is calculated on the amount of average weekly earnings during the 8-week period, fifteen weeks prior to the expected date of confinement (weeks 17 to 25 of pregnancy). A "salary sacrifice" arrangement will reduce the amount of salary that is liable to National Insurance Contributions. Therefore any "salary sacrifice" entered into during this eight week period will reduce entitlement to SMP.

If you are pregnant and expect to have a period of maternity leave you should think very carefully as to whether you should take Childcare Vouchers during this period, (please contact your payroll department for further details).

If you are receiving SMP and maternity pay at present you should contact your Human Resources Advisor to find out whether you are receiving sufficient income to enter into a "salary sacrifice" arrangement and receive Childcare Vouchers after taking into account your other financial commitments which are deducted at source whilst on maternity leave.

A notice is shown on the bottom of the Order Form through which a "salary sacrifice" is made, stating that if Childcare Vouchers are received at a time when the employee becomes pregnant then the employee should contact her payroll department or Busy Bees immediately.



# Important Information



## Paternity

The rights to paternity leave and Statutory Paternity Pay (SPP) allow an eligible employee to take paid leave to care for his baby or to support the mother following the birth. If you expect to have a period of paternity leave or Statutory Paternity Pay (SPP) you should think very carefully as to whether you should take Childcare Vouchers during this period, (please contact your payroll department for further details).

## Pensions

In respect of any pension arrangements with your employer, please contact your Pensions Consultant for guidance and further information.

Provided you pay the minimum requirement for NI payments vouchers should not affect your basic State Pension, however, it may have a small effect on your Second State Pension.

## Redundancy

Weekly pay is one of the factors used to calculate statutory redundancy payments. This will be impacted by reductions in cash pay in return for Childcare Vouchers. Therefore, the 'sacrificed' element of your salary does not have to be included by your employer when assessing your weekly pay for the purposes of a redundancy calculation. This could mean you are paid a lower redundancy payment if you are receiving Childcare Vouchers. If your employer provides an enhanced redundancy payment scheme then you should review the terms of the scheme to clarify whether the 'sacrificed' element of your salary will be taken into consideration when calculating your redundancy payment.

**For further information please contact your Payroll or HR Department.**

## Working Tax Credit and Child Tax Credit

If you enter into a "salary sacrifice" arrangement then it is the reduced cash salary or wage that is paid to you that is to be used when calculating your entitlement to WTC or CTC. The value of the Childcare Vouchers you receive are ignored for the purposes of the calculation.

Under WTC it is possible to receive help with the cost of childcare, the "childcare element" of WTC. If you are receiving Childcare Vouchers under this arrangement you will not receive any contribution towards the face value of the Childcare Vouchers you have received. If you qualify, you will only be entitled to the "childcare element" of WTC to the extent that you pay for qualifying childcare using your wages or salary.

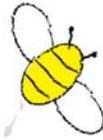
For example if you enter into a "salary sacrifice" arrangement and receive Childcare Vouchers worth £55 in a week and yet your childcare costs are £85 a week then you will pay the balance of £30 out of the pay or salary you are paid. You may be entitled to receive a payment under the "childcare element" of the WTC dependent upon your personal circumstances.

**For further information  
please contact your local  
Tax Office or visit:**

[www.hmrc.gov.uk/childcare](http://www.hmrc.gov.uk/childcare)



# Important Information



## Minimum Wage

In October 2006, the minimum hourly wage was increased to £5.35 per hour for staff aged over 22 years. The "salary sacrifice" arrangement under which you receive Childcare Vouchers as part of the total pay you receive from your employer reduces the amount of cash salary you receive. As the minimum wage is calculated on this cash amount, it is crucial that the total value of the Childcare Vouchers you receive under the "salary sacrifice" arrangement does not reduce your hourly rate below £5.35 per hour. This means that if you work different hours each week/month, the amount of Childcare Vouchers you wish to receive should be reconsidered each week/month to ensure that the amount you are paid stays above the minimum wage.

Part of the service that Busy Bees provides is a calculation to establish the maximum value of Childcare Vouchers that you can receive under the "salary sacrifice" arrangement and still be paid the Minimum Wage in accordance with the relevant rules and regulations. In order to ensure that you are not reducing your hourly rate below the legal requirement, please contact your payroll department or our Customer Services Team on **08000 430 860** for a financial calculation.



# Your Questions Answered

**Am I committed to being paid partly in Childcare Vouchers for every pay period, for example every month (if I am paid monthly) from the commencement of the scheme?**

No. You can vary the extent to which you receive Childcare Vouchers if you wish, unless your employer has stipulated otherwise. If you are paid weekly, it is not practical to complete a form for every pay period as it will only be one week long. However, on the

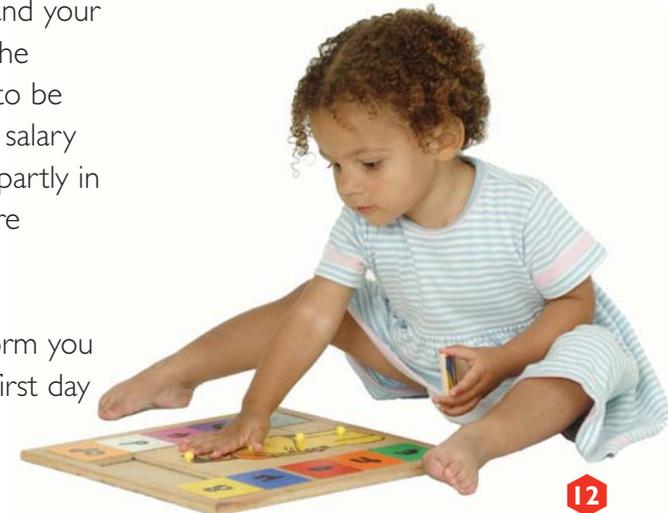
form it is possible to have more than one weekly pay period in the total period covered by the form and receive a different value of Childcare Vouchers (within the overall limit) each weekly pay period.

**If I want Childcare Vouchers for a particular pay period, whether my pay period is one week, four weeks or a month, what do I do?**

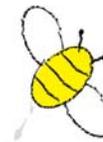
Before the pay period starts for which you need the Childcare Vouchers, you must complete a "salary sacrifice" form. This form is very important as it is the written agreement between you and your employer which changes the manner in which you are to be paid, instead of an all cash salary payment you will be paid partly in cash and partly in Childcare Vouchers.

Voucher arrangements will start. You also need to put how many pay periods are to be covered on the form you are completing.

On the "salary sacrifice" form you must put the date of the first day of the pay period from which the Childcare



# Your Questions Answered



## What changes do I have to make if I use Childcare Vouchers to pay for my childcare?

You are not required to change anything regarding your current childcare arrangements; the Childcare Voucher arrangement simply changes the way in which your child carer is paid. You, as the parent, are the best person to

decide when, and what type of childcare you need.

All carers must have approved status or be registered with OFSTED or with the equivalent authority for Scotland, Wales or Northern Ireland.

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

Under the salary sacrifice arrangement, any Childcare Vouchers you receive, up to a maximum of £55 per parent, per week (£243 per month) will qualify for Income Tax and National Insurance exemption.

of £55 per parent, per week (£243 per month).

Remember that there are no Income Tax or National Insurance benefits available on the value of any Childcare Vouchers you receive where the value of such Childcare Vouchers are over £55 each week or £243 each month.

Both parents/legal guardians are entitled to take advantage of this saving but, of course, each parent/legal guardian has to enter into a Childcare Voucher arrangement with his or her own employer on a separate basis.

In some cases your employer may allow you to order more Childcare Vouchers than the capped amount

## Can I use the arrangement to receive Childcare Vouchers for more than one child?

Yes. Under the "salary sacrifice" arrangement you can be paid in Childcare Vouchers for as many qualifying children as you wish. However, the total benefit is capped at £243 per month irrespective of the number of children. In addition, you can receive Childcare Vouchers that are to be given to different carers. This is particularly useful if you have more than one child and use different childcarers.

The form you use to enter into the "salary sacrifice" arrangement under which you agree to be paid in Childcare Vouchers is referred to as an "Order Form". If you do use different carers then you must identify each carer separately on the Order Form. Remember it is the Order Form which changes the agreement between you and your employer as to how you are paid and it is the Order Form which sets out the extent to which your pay/salary will be "sacrificed" in exchange for Childcare Vouchers.

Also if you do use different carers it is very important that each childcarer you wish to use is registered with Busy Bees.

## Will any childcare provider accept these vouchers?

Most providers will accept vouchers, however if you have any difficulties please contact Busy Bees on Freephone **08000 430 860**, who will do all they can to help.



# Your Questions Answered

## Can I use this arrangement and receive vouchers that can be used for any child?

No. In order to take advantage of the arrangements and receive Childcare Vouchers you must be the parent or legal guardian of the child that is to be provided with childcare. This does include foster children and legally adopted children.

## Do I have to use Busy Bees Nurseries in order to qualify for the saving?

No your childcare arrangements remain the same, all you do is change the way you pay for them.

## What do I do if I no longer want to receive vouchers, for example if my child no longer requires childcare?

If you enter into the "salary sacrifice" arrangements for each pay period, for example each month, by completing an Order Form, you simply stop doing so and your original salary will be paid for the following month.

If, on the other hand, you have agreed to "sacrifice" your salary for a period that is longer than one month, please contact your payroll department informing them that you wish to change the arrangements. It will also be necessary to inform Busy Bees in writing.

## When can I use the Childcare Vouchers I receive?

Most people use the Childcare Vouchers received in one pay period to pay for childcare in the next pay period. For example, if you completed the "salary sacrifice" form and stipulated your pay period as May, the vouchers received in May could be used after your May pay day to pay your childcarer in June.

## How do I go about joining the scheme?

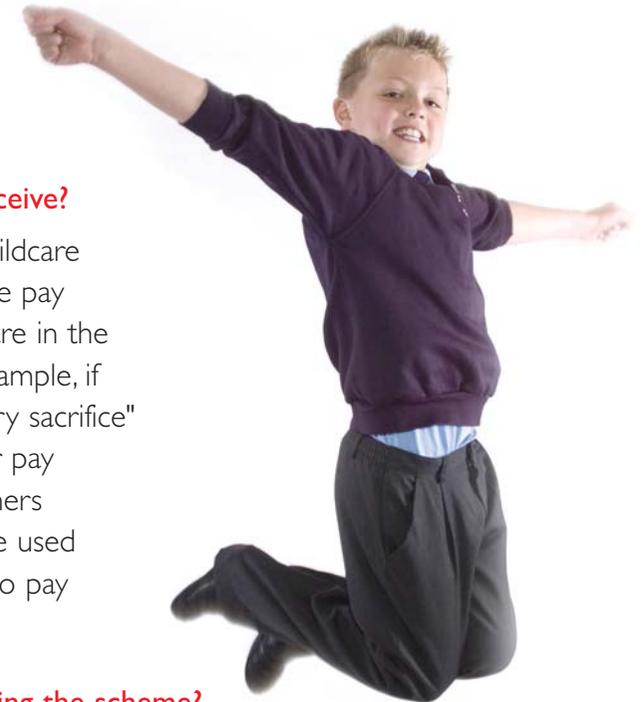
In order to join the scheme you must complete an Order Form and sign the agreement to vary your Terms and Conditions of Employment on the reverse of the

Order Form, this enables your employer to provide you with Childcare Vouchers as part of your salary. Spare copies can be obtained from Busy Bees.

## Who should I contact if I want to know more about the scheme?

Call **BUSY BEES** direct on  
Freephone  
**08000 430 860**

or your Human Resources  
Department/Childcare  
Co-ordinator if appropriate.



# Payment Systems

## Electronic Voucher Scheme (step by step guide)

For parents who have access to the internet and non monthly payments to one or more carers.

Electronic Vouchers (e-vouchers) let you pay one or more carers electronically by logging on to the Busy Bees website **www.busybeesvouchers.com**. You can log onto your e-voucher account at any time to review payments and your current balance.

### How it works

When you complete a **SALARY SACRIFICE ORDER FORM** you must sign and date the agreement to amend your Terms and Conditions of Employment, and return it to Busy Bees unless otherwise directed by your employer.



Upon receipt of your completed order form Busy Bees will open an e-voucher account and issue you with a unique username and password via e-mail. Your e-voucher account is then active.



Upon receipt of payment from your employer; Busy Bees will credit your e-voucher account with the value of the Childcare Vouchers you have requested for the relevant pay period.



Check your payslip to confirm that the correct deduction from your salary has been made for your e-voucher.



Log on to **www.busybeesvouchers.com** using your password to access your account. Select "Pay a Carer", confirm how much you would like to pay your chosen carer/s then click 'submit'.



The website will acknowledge that Busy Bees have received your payment instruction. Via e-mail, you will receive confirmation of the payment made by BAC's. You will then be issued with a unique transaction number.

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Payment can only be made to your carer on receipt of payment from your employer. From the date that you elect to pay your carer, the BAC's payment will take 3 to 4 working days to reach your carer's bank account.

# Payment Systems

## Auto-Pay Scheme (step by step guide)

For parents who have access to the internet, ongoing monthly payments to one or more carers for the same amount on the same day of each month.

Auto-Pay is an additional facility to the Electronic Voucher Scheme (e-vouchers). You can set up ongoing monthly automatic carer/s payments for the same amount on the same day of each month.

### How it works

When using the online (e-vouchers) system; instead of selecting 'Pay a Carer' from the menu, select 'Auto Payment' to bring up the Automatic Carer Payment screen.



Enter the date you wish the carer payments to start, ensuring this is the day of the month you wish the initial and subsequent payments to be made.



If you wish the payments to run for a limited number of months you will need to enter a "Payment End Date".



You will then choose 'Carer to Pay' and 'Amount to Pay Carer' and click 'Confirm Carer Auto Payment'.



The screen will then show a confirmation message.



Each time a payment is made to your carer/s, Busy Bees will e-mail you confirmation and issue a unique transaction number.

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Payment can only be made to your carer on receipt of payment from your employer. From the date that you elect to pay your carer, the BAC's payment will take 3 to 4 working days to reach your carer's bank account.

# Payment Systems

## Redeem Direct Voucher Scheme (step by step guide)

For parents who have the same monthly childcare costs, payable on the same day each month, to one or more carers.

Redeem Direct lets you choose the day of the month and the amount you require Busy Bees to pay your carer/s. Busy Bees will then pay your carer/s automatically each month on the date you have chosen.

### How it works

When you complete a **SALARY SACRIFICE ORDER FORM** you must sign and date the agreement to amend your Terms and Conditions of Employment. The Redeem Direct date must be on or after your pay day. This date will be the date payment to your carer/s is initiated. You must return your "salary sacrifice" order form to Busy Bees unless directed otherwise by your employer.



**PLEASE NOTE:** If at any time you change your carer and/or amount required you must notify Busy Bees of the changes at least **two working days** prior to the next payment that you have specified.



Check your payslip to confirm that the correct deduction from your salary has been made for your Redeem Direct request.



On the date you have specified for payment the amount requested will be paid to your carer/s by Busy Bees.



Busy Bees will e-mail you confirmation of your carer/s payment. This will include a unique transaction number.

# Payment Systems

## Paper Voucher Scheme (step by step guide)

For parents who have no internet access and non monthly payments i.e. school holiday clubs.

Paper Vouchers give you the facility to hand a voucher to one or more carers as and when required. They can be ordered in any denomination from £10 upwards. Please note your carer will find it easier to redeem vouchers with Busy Bees in the largest denomination possible.

### How it works

When you complete a **SALARY SACRIFICE ORDER FORM** you must sign and date the agreement to amend your Terms and Conditions of Employment. You must return your salary sacrifice order form to Busy Bees unless directed otherwise by your employer.



Upon receipt of payment from your employer, Busy Bees will post your Paper Voucher/s to either your home address or to you via your employer.



Check your payslip to confirm that the correct deduction from your salary has been made for your Paper Voucher/s.



When required pass your Paper Voucher/s to your carer/s, who will then contact Busy Bees to redeem them.

(When paying your carer with Paper Vouchers use the oldest dated voucher first.)

**PLEASE NOTE:** Busy Bees have a range of payment options however; the payment method maybe determined by individual employers. Employees are advised to seek clarification from their employer.

# Useful Links

## HM Revenue & Customs

[www.hmrc.gov.uk/childcare](http://www.hmrc.gov.uk/childcare)

For full guidelines regarding 'salary sacrifice' schemes, Working Tax Credit and Childcare Vouchers.

## Childcare Indicator Calculator [www.hmrc.gov.uk/calcs/ccin.htm](http://www.hmrc.gov.uk/calcs/ccin.htm)

Click on the link at the bottom for 'Childcare Indicator'.

## CAS

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

(Childcare Approval Scheme)

Website link to Nestor approvals online.

Nestor are the Government's chosen body for Approval management.

You may also call Nestor direct on **0845 7678 111**.

## Childcare Link

[www.childcarelink.gov.uk](http://www.childcarelink.gov.uk)

Find childcare in your area.

## Sure Start

[www.surestart.gov.uk](http://www.surestart.gov.uk)

Find out about current Government initiatives for children.

## The Daycare Trust

[www.daycaretrust.org.uk](http://www.daycaretrust.org.uk)

Largest UK charitable body for the daycare sector.

## Working Families

[www.workingfamilies.org.uk](http://www.workingfamilies.org.uk)

## The DTI

[www.dti.gov.uk](http://www.dti.gov.uk)

## 4 Children

[www.4children.org.uk](http://www.4children.org.uk)

## National Childminding Association

[www.ncma.org.uk](http://www.ncma.org.uk)

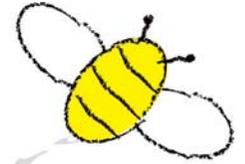
## Early Years Development & Childcare [www.dfes.gov.uk/eydcp](http://www.dfes.gov.uk/eydcp)

## Scottish Childcare

[www.scottishchildcare.gov.uk](http://www.scottishchildcare.gov.uk)

## Busy Bees Nurseries

[www.busybees.com](http://www.busybees.com)



If you have any further questions  
or require any further clarification  
please do not hesitate to contact  
**Busy Bees on:**

**Freephone: 08000 430 860**

**e-mail: [enquiries@busybeesvouchers.com](mailto:enquiries@busybeesvouchers.com)**

**Website: [www.busybeesvouchers.com](http://www.busybeesvouchers.com)**

'Our aim is to provide a first class childcare solution that provides a significant benefit for employees and employers, backed by a quality of service which makes it a pleasure to deal with us.'



**Busy Bees Childcare Vouchers Limited**

**Administration Centre:** Kuhlmann House, Lancaster Way, Fradley Park, Lichfield, Staffordshire, WS13 8SX.

**Sales and Training Centre:** Trent Park, Eastern Avenue, Lichfield, Staffordshire, WS13 6RR.

Freephone: 08000 430 860 Fax: 01543 266 606

e-mail: [enquiries@busybeesvouchers.com](mailto:enquiries@busybeesvouchers.com) Website: [www.busybeesvouchers.com](http://www.busybeesvouchers.com)

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