

Information for Parents

This factsheet provides information on the provision of Childcare Vouchers during Maternity Leave and Shared Parental Leave.

Legislation

The following legislation, which came into effect for babies due on or after 5th October 2008, has an impact on the provision of Childcare Vouchers during Maternity Leave or Shared Parental Leave.

- **Northern Ireland employees:**

October 2008 amendments to the Sex Discrimination (NI) order 1976 and Maternity and Parental Leave Regulations (NI) 1999

- **Employees in the rest of the UK:**

Sex Discrimination Act 1975 (Amendment) Regulations 2008
Maternity and Parental Leave etc. and the Paternity and Adoption Leave (Amendment) Regulations 2008

If you are in receipt of Childcare Vouchers before you go off on Maternity Leave or Shared Parental Leave, you are entitled to continue receiving them for the duration of your Maternity Leave or Shared Parental Leave (up to 52 weeks) even if you have no salary to sacrifice.

Facts to remember

- SMP or ShPP (Shared Parental Pay) **cannot** be sacrificed by law;
- Maternity Allowance **cannot** be sacrificed by law;
- Any Contractual/Enhanced Maternity Pay or Shared Parental Pay that is paid over and above SMP/ShPP **can** be sacrificed.



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Questions and Answers

Q. Can my employer deduct my Childcare Vouchers from my Statutory Maternity Pay or my Shared Parental Pay?

A. No. SMP/ShPP must be received in full. In the event that you are in receipt of SMP/ShPP only or no salary at all, your employer is obliged to pay the value of the vouchers you would normally receive on your behalf.

Q. If I am in receipt of Maternity Allowance, does the employer's obligation to pay the value of the vouchers on my behalf also apply?

A. Yes. If you are in receipt of Maternity Allowance, your employer is obliged to pay the value of the vouchers you would normally receive on your behalf. You must receive your Maternity Allowance in full.

Q. If the father (or partner with parental responsibility etc.) chooses to be off work on Shared Parental Leave and Pay, and had been in the Childcare Voucher scheme at the point of going off on leave, is their employer obligated to pay the value of the vouchers on their behalf?

A. Yes. As with SMP and Maternity Allowance, your partner's employer is obliged to pay the value of the vouchers your partner would normally receive on their behalf.

Q. Will I be better off remaining in the voucher scheme during my maternity leave or Shared Parental Leave?

A. You may be better off on tax credits. Phone our Family Benefits Advisors on 0800 028 6538 for a benefits assessment.

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Questions and Answers

Q. What happens if I receive Contractual/Enhanced Maternity or Shared Parental Pay* from my employer?

*Contractual/Enhanced Maternity Pay or Shared Parental Pay is salary paid by your employer over and above SMP/ShPP.

A. Any Contractual/Enhanced Maternity Pay or Shared Parental Pay can be sacrificed in exchange for Childcare Vouchers.

Q. What happens if I receive some Contractual/Enhanced Maternity or Shared Parental Pay which does not cover the full voucher value?

A. In the event that you receive Contractual/Enhanced Maternity or Shared Parental Pay which does not cover the full voucher value, your employer will be obliged to top up the difference. For example, if you normally sacrifice £243 per month and receive £200 a month in Contractual/Enhanced Maternity Pay or Shared Parental Pay, your employer will be obliged to pay the remaining £43 on your behalf.

Q. Should I opt out during weeks 17-25 of the pregnancy?

A. This depends on how your employer calculates your Maternity Pay or Shared Parental Pay. If they base it on your notional salary (e.g. full annual salary as if vouchers are not deducted), then it is not necessary for you to opt out of the scheme during the qualifying period when Average Weekly Earnings (AWE) are calculated. If they calculate your Maternity Pay or Shared Parental Pay based on the post salary-sacrifice level, then it is advisable that you opt out of the scheme at the end of week 16 so that your pay is not calculated at the reduced, post salary-sacrifice level. You can then opt back in again at week 26 of the pregnancy if you wish to continue in the scheme.



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Q. If I am expecting my first child, can I opt into the scheme once the baby is born?

A. Once the baby is born, you can opt into the Childcare Voucher scheme if you receive Contractual/Enhanced Maternity Pay or Shared Parental Pay over and above SMP/ShPP. However, once you drop to SMP/ShPP only, you will have to opt out of the scheme. You can then opt back in when you have returned to work and are receiving a salary again. Your employer would not be obliged to pay the voucher value on your behalf.

For further information, please contact us on 0800 028 6538.

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