

Tinies

The Childcare Experts

Childcare Vouchers



If you are looking, Childcare Vouchers are one of the ways a working parent can make great savings in childcare costs. Many employers run schemes which enable their employees to sacrifice or swap part of their gross salary for a tax and National Insurance free 'childcare voucher'.

This can mean savings of up to nearly £1,200 per parent in childcare costs. There is one allowance per parent (not per child) so if both parents receive childcare vouchers, savings can be doubled, so they are worth looking into.



How does a Childcare Voucher Scheme work?

Your employer may already run a scheme but if not they will need to sign up with a Childcare Voucher company. There is no cost to your employer as the fee they pay to the voucher company is more than offset by the National Insurance they save on providing you with a voucher rather than salary.

If your employer does not run a scheme it would be well worth lobbying them to do so. You will be able to receive your vouchers electronically or as paper to suit your needs. You can use vouchers to pay your nanny and a simple instruction to the voucher company will enable an automatic payment directly into your nanny's bank account each month.

How do Childcare Vouchers save me money?

Childcare Vouchers are usually offered as a salary sacrifice which means that you sacrifice a specific amount of your salary and instead receive that amount in vouchers. Childcare vouchers up to £55 per week or £243 per month are exempt from tax and National Insurance.

Can I use Childcare Vouchers to pay my nanny?

Childcare Vouchers can be used to pay your nanny provided the nanny is registered through the Ofsted Childcare Register (OCR). The voucher company will then pay the voucher value to your nanny each month. There is no cost to the nanny in receiving payment this way.

The approved nanny scheme is run by Ofsted.

You or your nanny must apply for his/her application form directly through Ofsted either online at www.ofsted.gov.uk or you can email enquiries@ofsted.gov.uk or call **0300 123 1231**.

In order to obtain approval the nanny must have:

- Recognised childcare qualification
- Enhanced CRB disclosure through Ofsted
- Up to date first aid certificate
- Public liability insurance

The current application fee is £103 and this includes the CRB disclosure, the registration is valid for a year and must be renewed if you continue to pay all or part of your nanny's pay with childcare vouchers.



All information and advice contained in this resource are meant as guidance only.