

# Linking Up

childcare vouchers

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## **Contents**

- Introduction to the Childcare Voucher Scheme
- Choosing to Make a Difference
- Benefits of Using a Childcare Voucher Scheme
- Getting Started
- Scheme Management Service
- What Happens Next
- Ongoing Support
- Frequently Asked Questions
- Company Registration Form
- Employee/Childcare Provider Registration Form
- Sample of Contract Amendment
- Terms and Conditions
- Documentation Check List



## Introduction to the Childcare Voucher Scheme

Childcare Vouchers have been available since 1989. In April 2005, the government offered fantastic incentives for both employers and employees wishing to participate in a Childcare Voucher scheme. By offering a maximum salary **sacrifice** exempt from Tax or National Insurance Contributions (NIC) an employee can save up to £1,196 per year. The employer will also make a minimum saving of around £370 per year as they are exempt from paying NIC on the total amount each employee sacrifices.

So it's good news for the employer, and GREAT news for the employee.

Ordinarily, a parent would pay for their childcare directly to the childcare provider, but by their employer deducting those childcare costs from the employee's gross salary through a salary **sacrifice**, costs are saved. The employer is invoiced for the childcare costs by Linking Up and the childcare provider is paid through the BACS payment system straight into their bank account.

This Childcare Voucher Scheme is designed to make your employees' childcare more affordable. For employers there are also financial benefits, through savings made on overall national insurance contributions. In addition, surveys have shown that offering these benefits improves recruitment and levels of staff retention.



## **Choosing to make a difference**

The Linking Up Childcare voucher scheme is a social enterprise established by Children's Links, a national charity that works to build the confidence and self belief of children with social and physical difficulties, enabling them to integrate happily in society. Working to improving children's life experiences by offering a wide range of services to children, families and other professionals who work within the children's sector, Children's Links is spreading its reach across the UK and, with the help of the British Council and the Commonwealth Foundation, is currently developing projects in Ghana.

The Linking Up childcare voucher scheme was introduced as a progressive and innovative social enterprise for the charity and the provision of this scheme helps support beneficiaries of Children's Links. All profits generated through supply and administration of the scheme are invested back into the charity, helping Children's Links provide better services to more children and families across the country and also to support its developing projects in Africa.

Dedicated Linking Up team members are ready to take your call and answer any questions you or your employees may have. Linking Up currently provides e-vouchers to companies nationally throughout the UK. In order for us to succeed we aim to continually build our standard of quality and provide an excellent level of customer service at a competitive market price.

Information about the work that Children's Links does, past and present, can be found by visiting [www.childrenslinks.org.uk](http://www.childrenslinks.org.uk) or we will be more than happy to send you a copy of their recent annual report, just contact us at [enquiries@linkingup.org.uk](mailto:enquiries@linkingup.org.uk) or call 0800 019 4590



## **Benefits of using a Childcare Voucher Scheme for an employer**

Childcare Vouchers save your company money! Because of the way the scheme is set up, the salary sacrifice is made before tax and national insurance contributions (N.I.C) are made. This means that you are also exempt from paying employer's N.I.C, saving you around £370pa for every employee that signs up to the scheme. Linking Up charges a small management fee based on the number of parents that sign up but still leaves a surplus for the company.

Numerous studies have shown that companies that operate a Childcare Voucher scheme have increased levels of staff retention and find that prospective employees see a more caring side to the company when applying for and starting new jobs. By adopting this scheme that helps a children's charity, the company adds value to social responsibility objectives.

The administration methods at Linking Up mean that there is a minimum amount of paperwork for new companies to fill in and once it is set up becomes electronic, saving further time and costs. This is not to say that human contact is eliminated altogether, we have a dedicated team on hand to answer any questions that you may have regarding the scheme.

The scheme enables companies to offer childcare assistance without the expense of establishing a workplace nursery or crèche. Instead of spending money on childcare, the company will actually money whilst still providing a benefit to its staff.

We have a dedicated FREE Helpline to aid in any enquiries you may have. Call us on 0800 019 4590 for more information. Read on to find out how to get started.



## **Getting Started**

Setting up the scheme is simple and absolutely free! Linking Up will minimise the administration by helping you and your employees complete all the paperwork. For set up, all you need to do is follow these easy steps also see our Linking Up customer Service scheme management flow chart:

### **Registration – The employer**

1. Complete registration form (RF1), review and sign terms and conditions (RF2). All forms can be found at the end of this pack.
2. Amend employees' contracts accordingly. Use form CF1 as a guide.

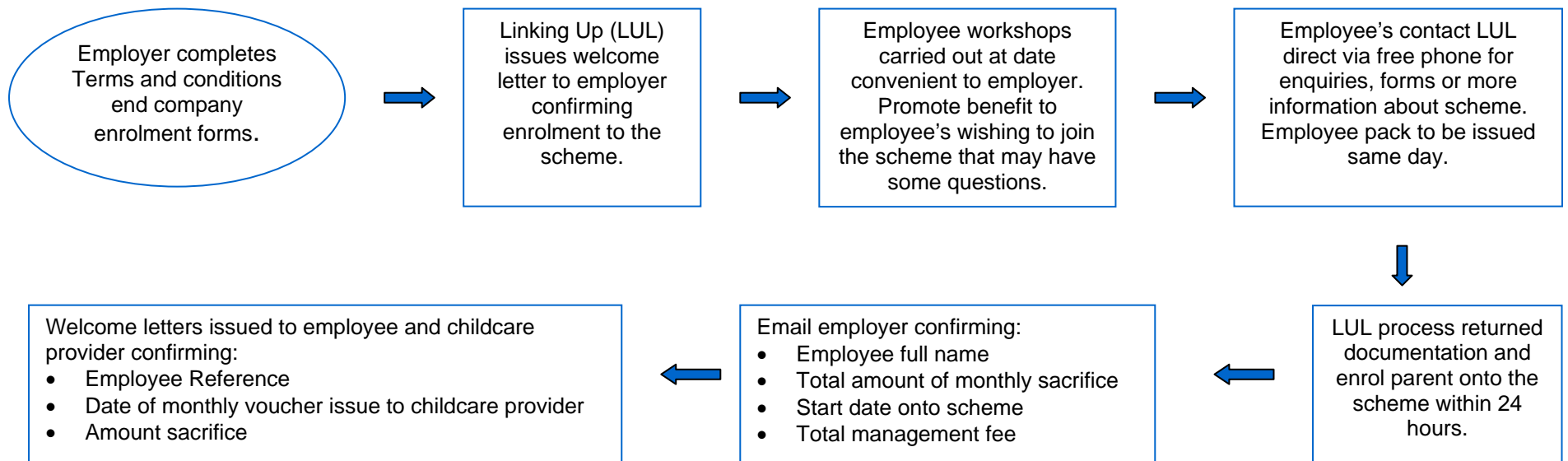
### **Registration – The employee**

1. Complete form RF2 and pass to childcare provider for bank details. Review and sign term and conditions – RF3 – and also give to Provider for signature. All forms can be found at the end of this pack.
2. Agree and sign employee contract amendment form (given to you by your employer) authorising your employer to debit your monthly salary sacrifice.
3. Collect RF2 and RF3 from provider. Send all original documentation including a copy of your childcare providers OFSTED certificate to the Linking Up freepost address.

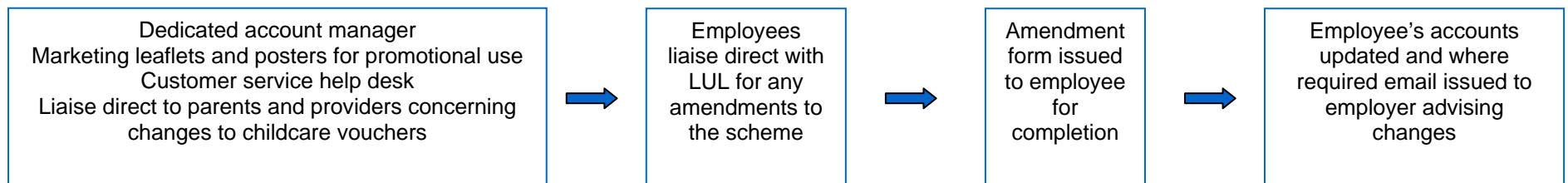
### **Registration – The childcare provider**

1. Review terms and conditions and sign.
2. Complete bank details on form RF2 to ensure monthly payment, review and sign terms and conditions RF3. Return both forms to parent for return to Linking Up.

## Complete Scheme Management Service



## Ongoing Scheme Support





## **What happens next?**

On receipt of all documentation a confirmation letter will be sent to advise that your company has successfully registered. There will be no need for any further administration process as we will begin enlisting further employees on the scheme.

When an employee registers with the scheme a copy of the RF1 form is sent to the employer for their records.

Monthly schedule:

1. You will receive an invoice from Linking Up for the total voucher value plus management fee prior to payroll date. Invoice includes employee details and individual employee voucher values.
2. On receipt of payment, the BACS payments to the childcare providers are made (usually after four working days.)
3. Remittance advice is sent to the all participants confirming payment and details of amounts paid or received.



## Ongoing Support

One of the huge benefits of Linking Up is our ongoing support!

After administering the initial signing we are not going to leave it all up to you! We will help you market this benefit to your employees by giving you unlimited access to posters, leaflets and other marketing information that can be made bespoke at your preference and can be sent either electronically or hand delivered to your office.

Our team can set up workshops in a location of your choice where employees can get help with any questions they may have.

The following are just a few initiatives you may want to consider:

- Free information booklets to include with your wage slips for distribution to all employees.
- Free email documents including pdf booklets to send across your intranet.
- Upon request Linking Up will provide free articles for your company newsletter or publication.
- FREE helpline available to all staff and employers: **0800 019 4590**



## **Frequently Asked Questions: Employer**

### **How will the Linking Up childcare voucher scheme affect Working Tax Credits (WTC) for my employees?**

Employees may be entitled to receive a payment under the "childcare element" of the WTC dependent upon their personal circumstances. A calculator is provided on our site [www.linkingup.org.uk](http://www.linkingup.org.uk) to help.

For example if an employee enters into a childcare voucher scheme and receives childcare vouchers worth £55 per week and childcare costs are £75 per week, the 'childcare element' of WTC would be calculated on the remaining £20 costs that you incur.

For more information visit Tax Credits online at: [www.taxcredits.inlandrevenue.gov.uk/Qualify/DIQHousehold.aspx](http://www.taxcredits.inlandrevenue.gov.uk/Qualify/DIQHousehold.aspx) or contact Revenue and Customs on 0845 300 3900.

### **How will I find out if legislation changes affect the scheme?**

The Linking Up customer service team will contact you to advise of any changes and information will be placed on our site at [www.linkingup.org.uk](http://www.linkingup.org.uk)

### **How would my company benefit from the scheme?**

In addition to your organisation making a saving up to £370 PA per employee on the NIC- that's £10,000 saved for 30 employees per year!- by implementing the childcare voucher scheme your company would be increasing its corporate social responsibility by helping a children's charity.

### **What will the scheme cost my company?**

There are no extra direct costs associated with the Linking Up childcare voucher scheme as the management fee is paid out of the employer's NIC savings.

### **What happens to the management fee?**

After initial costs all the profits generated by management fees go by Gift Aid to Children's Links.



## **Frequently Asked Questions: Employee**

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

You do not have to change your childcare provider to take part in the Childcare Voucher Scheme. For your childcare provider to receive vouchers, they must be registered with OFSTED or the equivalent authority for Scotland, Wales or Northern Ireland or have approved status through NESTOR.

### **What counts as registered and approved childcare?**

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 that 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).

\* 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. Relative means a parent, grandparent, aunt or uncle, brother or sister (whether by blood, half blood, marriage or affinity), and includes step parents.

Please note that it is the employee's responsibility to inform Linking Up and their employer of any changes to their Childcare Provider including changes to registration or approval status.

## **How much better off will I be if I join the scheme?**

The amount of income tax and National Insurance contributions you will save when you join the scheme depends upon your current salary.

From 6 April 2006 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 calendar month).

The savings outlined below are available from 6 April 2006.

How much can you save?

### **Example one:**

If you earn at the TAX bracket of 22% plus the NIC of 11% on salary sacrifice of £243 per month which is exempt from NIC and TAX you will save £80.19 per month / £926 per year.

### **Example two:**

If you earn £35,000 per annum and are on a split TAX bracket of 22% and 40% the savings will be £99.63 per month / £1,196 per year.

**Contact Linking Up on free phone 0800 019 4590 for a guide to your savings.**

If you currently receive tax credits it is important to assess whether the amount you save on the scheme does not affect your tax credits to the extent to being better off by not joining the scheme. (This is discussed in question 18).

### **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 £4,895 per annum (£409 per month) (06/07 tax year).

### **What about the minimum wage?**

The current minimum hourly wage was increased to £5.35 per hour for staff aged over 22 years. When you take part in a salary sacrifice scheme your employer reduces the amount of cash salary you receive to enable you to receive childcare vouchers. As the minimum wage is calculated on this amount, it is necessary to ensure that the total value of Childcare Vouchers you receive under the salary sacrifice arrangement does not reduce your hourly rate below £5.35 per hour. If this may be an issue please contact

Linking Up using the free phone no. 0800 019 4590 or your payroll Department.

**On joining the scheme am I committed to being paid partly in childcare vouchers for every pay period from the commencement of the scheme?**

Any employee who takes part in the childcare voucher scheme will be required to state a set amount that he/she wishes to receive in childcare vouchers. This would be up to a maximum of £55 per week in every pay period. For example if paid every calendar month, the maximum amount is £243 per month. The amount taken in childcare vouchers is agreed at the beginning of the scheme and will remain fixed until the end of the agreement (one year term).

If things change for you, such as when you become pregnant, substantially change your hours of work, your partner is made redundant, etc, you will be permitted to either change the amount of Childcare Vouchers you have agreed to receive or, withdraw from the Childcare Voucher Scheme. (In these circumstances please contact Linking Up with one month's written notice where possible).

**What happens to the money that makes up my salary sacrifice?**

On pay day your employer sends the voucher value (your salary sacrifice) to Linking Up. Four days after Linking Up have received payment the payment is transferred to your childcare provider electronically via BACS.

Whether the money transferred, pays for childcare already received, or acts as an advance payment, is agreed between employee and childcare provider.

**Why does my childcare provider have to register with Linking Up?**

As Linking Up transfers the value of the salary sacrifice directly into the childcare provider's bank account we need to register the childcare provider and receive their bank details. It is also a requirement for Linking Up to ensure all childcare providers are registered with OFSTED or with the equivalent authority for Scotland, Wales and Northern Ireland or have approved status.

**What will my childcare provider have to pay?**

Nothing at all, the scheme is free to join!

**If I use childcare vouchers what changes do I have to make?**

You are not required to change anything with regards to your current childcare arrangements as long as they are approved or registered. The scheme simply allows you to pay your childcare provider in a different way.

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

### **How many vouchers can I have?**

For every week in the scheme you are allowed to have vouchers worth up to £55 per week, which equates to £243 per calendar month. You will be exempt from paying income tax and National Insurance Contributions on any amount up to this maximum.

Where both parents/legal guardians work and are registered with the scheme it is possible for both parents to salary sacrifice up to a maximum of £55 per week, allowing approximate savings of up to £1,196 and £2,392 to be realised.

If your partner's employer is not currently running a scheme, call 0800 019 4590 and ask for more information.

### **If I have more than one child can I use the scheme to receive vouchers for both sets of childcare?**

Yes, so long as the voucher value does not exceed the maximum allowed, (£55 per week or £243 per calendar month). The payment may be used for both children's childcare. Where children attend more than one childcare provider setting the payment is divided and sent to the separate childcare providers as detailed when first registering with the scheme.

### **Can I take part in the childcare voucher scheme 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 not include foster children.

### **Will any childcare provider accept these vouchers?**

Most providers will accept vouchers, if however you have any difficulties please contact Linking Up on free phone 0800 019 4590.

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

Please inform both Linking Up and your Human Resources department in writing a minimum of one month prior to the date you wish your Childcare Vouchers to stop.

### **What happens if I want maternity leave?**

If you are pregnant and expect to have a period of maternity leave, dependent on how your employer calculates maternity pay it is likely you will benefit from withdrawing from the scheme a number of weeks prior to the expected date of leave. It is therefore necessary to contact Linking Up and your Human Resources Manager as soon as possible to help you establish the date by which you should exit the scheme.

If you are already receiving Statutory Maternity Pay (SMP) and are considering joining the childcare voucher scheme contact Linking Up who can help you to establish whether or not you would benefit in joining the scheme at this time.

### **What happens if I am an employee and I expect to have some paternity leave?**

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 Linking Up to help you establish the best course of action to take.

### **What effect will the receipt of childcare vouchers have on my pension?**

In many cases there is no effect on your pension but if you have any questions about your pension arrangements please contact the Human Resources Department.

### **What happens if I am entitled or may be entitled to Working Tax Credit (WTC) or Child Tax Credit (CTC)?**

Under the 'childcare element' of WTC it is possible to receive help with the cost of childcare. If you enter into a "salary sacrifice" scheme, the calculation of how much in tax credits you receive is based on your reduced cash salary or wage and any childcare vouchers received will not be used in the calculation of tax credits. So, if you receive childcare vouchers through this scheme any contributions in the form of the 'childcare element' of WTC will not be based on the full childcare costs. The 'childcare element' of the WTC contribution will be calculated on the childcare costs remaining after the childcare vouchers have been deducted.

For example if you enter into a childcare voucher scheme and receive childcare vouchers worth £55 per week and your childcare costs are £75 per week, your 'childcare element' of WTC would be calculated on the remaining £20 costs that you incur. Please note that you are unable to claim your childcare element of WTC and childcare vouchers\*.

You may be entitled to receive a payment under the "childcare element" of the WTC dependent upon your personal circumstances. To get an idea of how much in tax credits you will still be entitled to if you take a salary sacrifice, visit Tax Credits online at the following address: [www.taxcredits.inlandrevenue.gov.uk/Qualify/DIQHousehold.aspx](http://www.taxcredits.inlandrevenue.gov.uk/Qualify/DIQHousehold.aspx) or contact Revenue and Customs, formerly known as Inland Revenue, on 0845 300 3900.

\*Linking up customer service can provide advice regarding claimant of childcare element for WTC however, it is imperative to clarify this by contacting the Inland Revenue.

### **How do I join the scheme?**

In order to register with the scheme you must complete an **RF2** form from your employer – this form should be available online Summer 2007. Agree and sign the terms and conditions and sign an employee contract amendment which enables your employer to provide you with childcare vouchers as part of your salary.

Contact Linking Up on free phone 0800 019 4590 to gain copies.

### **Where do I send the form?**

The completed **RF2** form along with a signed copy of the terms and conditions (**RF3**) should be returned to:

**Linking Up  
Children's Links  
FREEPOST NEA8551  
Horncastle, LN9 6BR**

Or faxed to Linking Up Ltd on 01507 528301

Or signed, scanned and emailed to [enquiries@linkingup.org.uk](mailto:enquiries@linkingup.org.uk)

**I would like to know more about the scheme. What do I do?**

Contact Linking Up on Free phone 0800 019 4590 or visit [www.linkingup.org.uk](http://www.linkingup.org.uk)





### RF1: Company Registration Form

Company Name	
Contact Name	
Position	
Address Inc Post Code	
Telephone	
Facsimile	
E-mail	
Company registration No	
Management Fee %	
Pay Date	
Payroll Cut off Date	
Christmas Arrangements	
Payroll Manager	
Company Address If not the employer	
Telephone	
E-mail	
How did you hear about Linking up?	
Offer code if applicable	

We hereby undertake to abide by the following terms and conditions of Children's Links Linking Up voucher scheme:

1. To pay Children's Links for vouchers and associated management fee prior to Children's Links paying childcare providers.
2. To give one month's notice to withdraw an employee from the scheme.
3. To give three months notice to cancel the Company's registration with the scheme
4. To sign a contract with Children's Links

Signed..... Date.....

Name..... Position.....



## RF2: Employee / Childcare Provider Registration Form

All fields must be complete

Employee Details			
Full Name		Mr/Mrs/Miss/Other	
Address Inc Post Code			
Employer		Amount per month	
Home Tel No		Payroll No	
Work Tel No		E-mail address	
In order for us to send you information and updates of the childcare vouchers scheme please tick here permitting us to do so <input type="checkbox"/>			

Child / Children's Details			
Childs Name 1		Date of Birth	
Childs Name 2		Date of Birth	
Childs Name 3		Date of Birth	
If your child is disabled you are eligible to continue the scheme until the 1 <sup>st</sup> September following their 16 <sup>th</sup> birthday. Please tick the box if this applies. <input type="checkbox"/>			

How did you hear about Children's Links' Linking Up vouchers? (Please Tick)			
Colleague <input type="checkbox"/>	Employer <input type="checkbox"/>	Internet <input type="checkbox"/>	Friend/Family <input type="checkbox"/>
Parent/Carer <input type="checkbox"/>	Other please specify		

Childcare Provider			
Company		Tel No	
E-mail address		Ofsted/Nesta No	
Contact name		Position	
Address Inc Post Code			
Bank Address Inc Post Code			
Account No		Sort Code	
Provider signature			
In order for us to send you information and updates of the childcare vouchers scheme please tick here permitting us to do so <input type="checkbox"/> Please enclose a copy of registration as a childcare provider (Ofsted or Nesta Childcare Approval Scheme).			

# CF1: Sample of a Company Contractual Amendment with Employee

Payroll No..... Date.....

## Childcare vouchers agreement

Following our recent discussions, we are pleased to offer you the childcare voucher benefit scheme, as part of your contract, effective from the 1<sup>st</sup> .....to 1<sup>st</sup> .....

This incorporates the following pay periods.

Month	Amount £ per month	Month	Amount £ per month
1		7	
2		8	
3		9	
4		10	
5		11	
6		12	

If you wish to take up this benefit, please sign and return this letter confirming that you agree to the terms and conditions stated below.

I understand that

1. My gross salary will be reduced by the value of the vouchers I request and this reduction will form part of my contract of employment for this period. Any benefits, pensions or other entitlements based on gross salary may be affected by this reduction.
2. The vouchers have no cash value and can only be redeemed against qualifying childcare.
3. If there are any changes to my status or that of the childcare provider, I will inform my Employer and Linking Up Ltd.
4. I agree to be bound by the terms of an effective salary sacrifice as per Inland Revenue guidelines. I understand these guidelines and that my salary must remain above the legal minimum wage and maintain minimum National insurance contributions.
5. Should there be a change in my personal circumstances that means I will no longer need a salary sacrifice for childcare vouchers, such as pregnancy, I must give you one month's notice to terminate this agreement early.

Yours sincerely,

HR Manager

I agree to the terms and conditions above

Signed.....

Dated.....Print Name.....

## **Childcare Voucher Scheme Terms and Conditions and Form RF3**

1. Linking Up vouchers are issued to Employers and then redeemed by Employees against the cost of childcare or nursery services provided by Childcarers. Terms concerning the operation of the scheme, each parties' rights & obligations and the general terms and conditions which apply to the vouchers (none of which affect the Employee's statutory rights) are as follows:

### **Interpretation**

2. In this Agreement the following words and phrases shall unless the context otherwise requires ,have the following meanings:
  - (a) "Childcarer" means the person or organisation approved by Linking Up which is employed or engaged by the Employee to care for the child(ren) of the Employee and who or which is legally entitled to care for the child(ren);
  - (b) "Employer" means any person who, or organisation which, purchases Linking Up vouchers and distributes these to Employees;
  - (c) "Intellectual Property Rights" means any patent, trade or service mark (including the Trade Mark), copyright, moral right, design right, registered design, know how or any other intellectual property right or similar right of whatever nature subsisting in any part of the world;
  - (d) "Linking Up " means Linking Up Ltd, Horncastle (Company Number 5830401);
  - (e) "Employee" means any person wishing to redeem Linking Up vouchers against a Childcarer's childcare or nursery service costs;
  - (f) "Trade Mark" means the Linking Up trade mark;
  - (g) "Linking Up vouchers" means the transferable undertaking given by Linking Up (at an agreed monetary value) to pay a Childcarer an amount equivalent to the value of the Linking Up vouchers in return for the provision of childcare services by it to an Employee; the undertaking is given in return for a promise of payment of the agreed monetary value by the Employer together with the agreed commission.
  - (h) "Salary Sacrifice" means where an employee agrees to vary their contract of employment by agreeing to sacrifice part of their salary due under their contract of employment in return for Linking Up vouchers equivalent in value to the Employees salary which is sacrificed.

### **Operation of the Linking Up Voucher Scheme**

#### **3. Linking Up shall:**

- (a) on the guarantee of payment by the Employer (which the employer hereby gives), issue Linking Up vouchers at the amount advised to the Employee from time to time;
- (b) inform the Employer each month of the amounts (and any changes) in the value of Linking Up vouchers requested by the Employee and to be paid for by the Employer; and
- (c) invoice the Employer each month for the Linking Up voucher value together with a service charge as agreed
- (d) in consideration of the provision of childcare services to the Employee, pay to the Childcarer an amount equal to the value of Linking Up vouchers notified to it by the Employee within 4 working days of receipt of the relevant cleared funds or as soon as is reasonably practicable thereafter from the Employer;
- (e) provide the Employer with monthly statements relating to the Employers' Linking Up vouchers account and provide reconciliations on request if there is any discrepancy in the statements or payments;
- (f) provide the Employer with a report within 10 working days of written request reporting on the Employer's account
- (g) refund to the Employer any monies in the Employees Linking Up voucher accounts when they exit the Linking Up voucher scheme
- (h) provide a Linking Up voucher helpdesk service open between the hours of 8.30am to 4.30pm Mon to Fri 0800 0194590
- (i) Otherwise administer the Linking Up voucher scheme.

#### **5. The Employee shall:**

- (a) Agree the Salary Sacrifice with the Employer and this Agreement will then serve as an amendment to the Employee's Contract of Employment with regard to the Employee's salary which will be reduced by the Salary Sacrifice.
- (b) agree it is at the Employer's discretion to re-instate the Employees salary should the Employee leave the scheme.
- (c) agree with the Employer and the Childcarer the monthly value of Linking Up vouchers to be purchased by the Employer on the Employee's behalf and then inform Linking Up of these details (either in writing or by telephone 0800 0194 590
- (d) promptly advise Linking Up ( either in writing or by telephone 0800 0194 590) of any changes in the value of Linking Up vouchers to be purchased by the Employer, their contact details or their Childcarer details;

- (e) commit to the Linking Up vouchers scheme, including the Salary Sacrifice scheme for a period of 12 months. During the 12 month period the Employee will only be able to exit or make amendments to the value of the Linking Up voucher scheme if they have a material lifestyle change (lifestyle changes include maternity, paternity, termination of employment relocation or redundancy).
- (f) at or after the expiration of the 12 month period provide Linking Up and the Employer with one month's written notice to exit the scheme.
- (g) acknowledge in entering in to the Linking Up voucher scheme that it and the Salary Sacrifice could affect other benefits such as, but not limited to SSP, SMP and Working Tax Credits. The Employee accepts and agrees that it is their responsibility to determine and understand the affect on their benefits that entry into the Linking Up vouchers scheme will have. Employees should contact the Inland Revenue helpline (0845 300 3900) to discuss Working Tax Credits.
- (h) The Employee should make enquiries to ensure that the Child-carer complies with all laws and regulations in relation to its activities, that the Child-carer is not prohibited by law from carrying out the activity of childcare, that the Child-carer has been approved by the police and all other relevant authorities to work with children and that the Child-carer has all necessary registrations.
- (i) Any payment due for the provision of Childcare services to the Employee which exceeds the value of Linking Up vouchers (as confirmed by Linking Up) shall be payable by the Employee directly to the Childcarer and Linking Up and the Employer shall not be held liable.
- (j) ensure that at all the relevant times they meet the Employer's criteria for the Linking Up vouchers scheme and supply all information reasonably required by Linking Up to operate the Linking Up voucher scheme.
- (k) safeguard and keep secret the PIN (where available) allocated by Linking Up to the Employee and inform Linking Up immediately if it is disclosed to another person (or if it may have occurred).
- (l) The Employee agrees to be bound by the terms and conditions of the Linking Up voucher scheme as from time to time laid down by the Employer
- (m) The Employee agrees to be bound by the terms and conditions of the Linking Up voucher scheme as from time to time laid down by the Inland Revenue and any other regulatory body. Further, the Employee will indemnify and keep indemnified the Employer against all claims for income tax and/ or national insurance contributions which may arise in relation to the Salary Sacrifice or otherwise in relation to involvement in the childcare voucher scheme.
- (n) The employee agrees to be liable for costs and expenses incurred for incorrect usage of the voucher by them.
- (o) The employee agrees to use the vouchers exclusively with registered or approved carers.

**6. The Employer shall:**

- (a) ensure that at all relevant times the Employee meets the Employer's criteria for the Linking Up vouchers scheme and promptly informs Linking Up of any changes in the Employee's employment status or any ineligibility for the Linking Up voucher scheme.
- (b) provide such information as is reasonably requested by Linking Up from time to time in relation and operation of the Linking Up voucher scheme and use its best endeavours to ensure that any information supplied is complete, true and accurate;
- (c) pay to Linking Up the amount due to the Childcare provider on the same day as the payroll run each month, along with the agreed commission.
- (d) Promptly inform Children's Links if the value of the Linking Up vouchers advised to it by Linking Up is not agreed.
- (e) Comply with all employment, tax and other relevant legislation.
- (f) E-mail Children's Links to advise of any Employee who has left the Linking Up voucher scheme.
- (g) The Employer agrees that vouchers are paid for at time of order by BACS or cheque by first class post and are not valid until cleared payment is received by Linking Up. The voucher cost is not subject to VAT.
- (h) The employer agrees to inform the Inland Revenue that they are utilising the scheme and gain the appropriate approval.
- (i) The employer agrees to meet the service charge levied by Linking Up at the rate set for the level of service. Provided by Children's Links and these charges are subject to VAT at the applicable rate
- (j) The employer agrees that Linking Up are not liable for any costs and expenses incurred for the misuse of the vouchers and/or incorrect use of the voucher scheme by the Employer.
- (k) The Employer agrees to be liable for costs or expenses incurred from changes made to any vouchers already issued.

**7. The Childcarer shall:**

- (a) provide such information as requested by Linking Up from time to time in relation to the administration and operation of the Linking Up voucher scheme and use its best endeavours to ensure that any information supplied is complete, true and accurate.
- (b) accept payment for its childcare services by way of Linking Up vouchers but not otherwise deal with Linking Up vouchers or accept them as payment for other goods or services;
- (c) ensure that the value of Linking Up vouchers paid by Linking Up is allocated in its entirety to the cost of childcare provided to the Employee (which may be less than the cost of the childcare);
- (d) keep complete records of transactions involving Linking Up vouchers;
- (e) have and maintain a UK bank account which can receive BACS payments and provide details of the bank account to Linking Up on not less than 14 days notice; and
- (f) raise any administrative queries in writing or by telephoning 0800 0194 590
- (g) The carer agrees to be part of the Linking Up voucher scheme and will adhere to the terms and conditions of qualification and voucher redemption.
- (h) The carer will provide a valid copy of their registration or approval certificate to Linking Up and only then will the carer be able to redeem issued vouchers.
- (i) The carer agrees to accept Linking Up vouchers from parents and employers.
- (j) The carer agrees to be registered or approved by the relevant authority and inform the care user immediately (the parent) if there are changes to the carer registration status.
- (k) Payment is by BACS payment and the carer agrees to provide correct bank details to Linking Up.
- (l) Payment can only be issued to the carer nominated by the care user (parent)
- (m) The carer should not accept any vouchers if their registration or approval has been suspended or removed. In the event of Linking Up not having been informed of the suspension or withdrawal the carer may be liable for the voucher value and any tax penalties that occur.
- (n) Linking Up will not be liable for any expenses or costs incurred by the carer for incorrect use of the e-voucher scheme.

**General**

**8. Changes to the Scheme and Terms**

- (a) Administrative changes to the Linking Up voucher scheme may be made by Linking Up from time to time. The parties shall bear their own costs of implementing any administrative changes.
- (b) Linking Up may at its sole discretion, change or modify these terms upon giving 45 days written notice of the same.
- (c) The Employer has the right to terminate the Agreement forthwith if the amendments are unacceptable. In the event that the Employer terminates this Agreement the Employee will immediately cease to be part of the Linking Up voucher scheme.

**9. VAT**

- (a) All monetary amounts stated under this Agreement are exclusive of any Value Added Tax, which (if chargeable) shall be paid at the rate and in the manner prescribed by law from time to time.

**10. Confidentiality & Data Protection**

- (a) Each party shall take all the necessary steps to ensure that data or information which comes into possession by virtue of and whilst a member of the Linking Up voucher scheme is treated as confidential information and in particular shall comply with the Data Protection Act 1998 and, if appropriate, shall notify itself under that Act and process such data and information only in so far as is necessary to administer the Linking Up voucher scheme and not use it to compete or to promote its own or third party business.

**11. Liability**

- (a) Linking Up and the Employer will use their reasonable endeavours to maintain the legitimate financial advantages of the Linking Up vouchers scheme but shall not be held liable for any loss caused by factors beyond its control, such as loss resulting from changes in legislation, actions of other Childcarers or a failure by other parties to provide accurate and timely information or a third party business.
- (b) Save that nothing in this Agreement shall limit or exclude the liability of either party for death or personal injury caused by its negligence all warranties, conditions and other terms implied by statute or common law as being given by Linking Up, to the fullest extent permitted by law, excluded and Linking Up total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Linking Up vouchers scheme shall in respect of each event or series of connected events be limited to the value Linking Up vouchers purchased by the Employer in the preceding 12 months.

- (c) Linking Up shall not be liable for any indirect or consequential loss or damage (whether for loss of profit, loss of business, depletion of goodwill or otherwise), costs, expenses or other claims for consequential compensation whatsoever (however caused) which arise out of or in connection with the Contract.
- (d) The employer shall not be liable to Linking Up for any indirect or consequential loss or damage (whether for loss of profit, loss of business, depletion of goodwill or otherwise), costs, expenses or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the Contract.
- (e) The employer shall not be liable to pay the agreed Linking Up voucher value if the Employee is not able to make the salary sacrifice.

**12. Termination**

- (a) The parties acknowledge that the duration of this Agreement is independent of any Agreement the Employee may have with the Childcarer.
- (b) The Childcarer shall immediately give notice in writing to the other parties if the Childcarer's registration with the appropriate authorities as a provider of childcare expires or is terminated or if they are convicted of any criminal offence (other than a road traffic offence) and in those circumstances any party may terminate this Agreement forthwith.
- (c) Any party may terminate this Agreement if any other party commits a material and or persistent breach of the terms of this Agreement and/or any other party becomes bankrupt, unable to pay his or its debts as they fall due, calls a meeting of his or its creditors with a view to entering into or enters into any composition or arrangement with his or its creditors or, where the other is a company, if any resolution or petition to wind up the company (other than for the purposes of an amalgamation or reconstruction without insolvency approved in writing by the other) or for the appointment of an administrator shall be passed or if an administrator, and administrative receiver or a receiver of the company's undertaking, property or assets or any assets or any part thereof shall be appointed.
- (d) Any party may terminate this Agreement voluntarily by giving 30 days notice in writing to the other party.

**13. General**

- (a) This Agreement contains the whole Agreement between the parties relating to the Linking Up voucher scheme and supersedes all prior Agreements, arrangements and understandings between the parties relating to the scheme.
- (b) No failure or delay by either party in exercising any of the rights under these terms shall be deemed to be a waiver of that right, and no waiver by either party of any breach of these terms by the other shall be considered as a waiver of any subsequent breach of the same or any other provision.
- (c) No variation of the Agreement or of any of the documents referred to in it shall be valid unless it is in writing and signed by or on behalf of each of the parties.

<b>Ref RF3</b>			
<b>ACCEPTANCE CONFIRMATION</b>	<b>EMPLOYER</b>	<b>PARENT</b>	<b>CHILDCARE PROVIDER</b>
PLEASE SIGN, DATE AND RETURN TO LINKING UP LTD. PLEASE RETAIN A COPY FOR YOUR OWN RECORDS.			
Company/ Name:	<input style="width: 100%;" type="text"/>		
Address:	<input style="width: 100%; height: 40px;" type="text"/>		
We/I agree to abide by the Terms and Conditions of service as outlined above:			
Signed:	<input style="width: 100%;" type="text"/>		
Name: (please print)	<input style="width: 100%;" type="text"/>		
Position:	<input style="width: 100%;" type="text"/>		
Date:	<input style="width: 100%;" type="text"/>		



## Documentation Check list

<b>Employer</b>	<b>Complete</b>
Company registration forms	
Company Terms and Conditions	
<b>Employee</b>	
Employee /Childcare provider Registration form	
Terms and conditions	
Contract amendment form with your company Logo	
Childcare Provider	
Supply copy of Ofsted form	

\*The employee will not have to register again if they change childcare provider. They need to register their new provider to ensure they receive the monthly payment.

Forms should be returned to:

**Linking Up Vouchers  
Children's Links  
FREEPOST NEA 8551  
Horncastle  
LN9 6BR**

Or faxed to Linking Up Vouchers on 01507 528301

Or signed, scanned and emailed to [enquiries@linkingup.org.uk](mailto:enquiries@linkingup.org.uk)

**0800 019 4590**