

INTRODUCING CHILD CARE VOUCHERS

What are Childcare Vouchers?

If you are using registered or approved childcare, you can choose to take part of your salary in Childcare Vouchers to pay for it which are tax and National Insurance (NI) free. This is called Salary Exchange, as some of you know we already use Salary Exchange for pension contributions within the Fenner Retirement Plan (defined contribution plan).

We are introducing a Childcare Voucher scheme in partnership with Edenred who are a market leader in childcare vouchers.

The savings you can make are per person – so if you have a wife, husband or partner who also works for an employer that operates a scheme, you could double your household savings. The exact amount you can save depends on how much you earn and how much tax and NI you currently pay. Childcare Vouchers are tax and NI exempt up to:

Maximum Voucher Values	
Basic rate taxpayers	£243 a month (€55 a week)
Higher rate taxpayers	£124 a month (€28 a week)
Additional rate taxpayers	£110 a month (€25 a week)

Where can Childcare Vouchers be used?

Childcare Vouchers can be used to pay for the care of children up to the age of 15 or 16 if they are disabled, including:

- home based care such as childminders, nannies and au pairs
- pre-school care such as nursery schools, play schools and crèches
- care for older children such as out of school clubs (breakfast clubs, afterschool clubs, boarding) and holiday clubs

You can use your Childcare Vouchers to pay more than one carer if you wish. The only condition is that your carer(s) will need to be registered with or approved by the appropriate body (such as Ofsted) and be part of Edenred's network. Visit www.childcarevouchers.co.uk to find out how you could pay your carer with Childcare Vouchers.

If your current childcare provider does not accept vouchers from Edenred it is very easy for them to set themselves up; again they just need to visit www.childcarevouchers.co.uk and read the information under the 'child-care provider tab'.

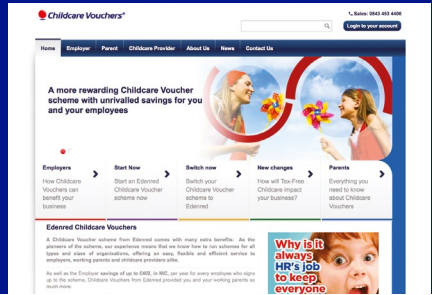


How do I join the scheme?

All the administration of the scheme is done online.

In the first instance you will need to register by going to:

www.childcarevouchers.co.uk



Go to the 'Parent' page and click on the blue banner on the bottom right hand of the page marked 'Join the Edenred Childcare Voucher Scheme now'.

You will be asked to input your Employer's scheme ID which is: **FENN9999**

Next you will be asked to input your payroll number. This four digit number can be found on your payslip, just opposite the Pay Date.

The next screen tells you about the cut-off date for ordering vouchers, which is 7th of the month.

You will then be taken to a screen where you need to input your personal data, and indicate your Maximum Voucher Value (please see the Maximum Voucher Values chart over page on limits based on your tax band).

Next you will be asked to provide details of the children for whom you are requesting vouchers.

Finally you will be asked to submit your application. By submitting the form you will be asked to agree and confirm that:

1. You have read and that you agree to the Terms and Conditions of this Salary Exchange Agreement.
2. Application details in respect of the Employee and Child are accurate and complete.
3. You wish to submit these application details to your employer.

In addition, you will also be asked to sign a hard copy of the same terms and conditions and agree to the salary exchange. Andrea Nadin will provide you with this once you have submitted your online form.

What happens next?

Your application will be checked to ensure that you are eligible to receive vouchers at the amount specified.

You will be notified once checks are complete and you will be able to access your on line vouchers on the same day as your salary is paid into your bank account. This is usually the 22nd of each month.

Changes proposed by HM Government

The Government has announced that from Autumn 2015 (at the earliest) a new scheme called Government Tax-Free Childcare scheme 2015 will be introduced.

When Tax-Free Childcare is introduced, you will be able to choose whether you continue receiving Employer-Supported Childcare or switch to Tax-Free Childcare. A family can't use both schemes at the same time. Tax-Free Childcare will be open to more than twice as many parents as Employer-Supported Childcare, although, depending on their circumstances, some parents will be better off in the current scheme. The Government will provide advice and guidance to allow parents to decide which support best suits their individual circumstances.

Employer-Supported Childcare will continue to be available to current recipients for as long as their employer continues to offer the scheme. If parents move employers after Tax-Free Childcare is introduced in autumn 2015 they will no longer be entitled to Employer-Supported Childcare.