

# Everything you need to know about the Workplace Nursery Benefit



- A. Changes to the childcare voucher benefit
- B. What is the workplace nursery benefit?
- C. So parents using your nursery can benefit greatly but how does it help you?
- D. Getting Started
- E. Frequently Asked Questions sheet for your employees

## A. Changes to the childcare voucher benefit

With the childcare vouchers closing on the 4<sup>th</sup> October 2018, we have seen a huge increase in the number of parents taking up the workplace nursery benefit. The Workplace nursery benefit saves parents who use a nursery setting tax and national insurance on ALL of their nursery fees from birth up to the age of 5 and will not be changed by the Government this year.

More and more nurseries are signing up to offer the workplace nursery benefit to offer to parents as an alternative whilst benefitting themselves as a setting!



### B. What is the workplace nursery benefit?

Enjoy Benefits have been offering the workplace nursery benefit since 2002. The benefit is based on legislation that came into effect in 1988 – ICTA Section 155A.

Workplace Nursery allows your nursery parents' employers to work in partnership with a chosen nursery like you. This then enables the parents to save Tax and NI on **ALL** of their nursery fees from birth up to the age of 5.

Parents using this benefit can save thousands of pounds off the cost of their nursery fees, making a real difference to parents. The savings are far higher than are possible just with childcare vouchers or the new Tax Free Childcare (TFC)!

**As an example:** if a parent at your nursery pays £800 a month in fees, then with childcare vouchers they can save a maximum of £933 a year and £2000 maximum a year (per child) with TFC. By using the Workplace Nursery Benefit they would save £2419.20 a year and have all their fees paid each month.

Take a look at our video explaining the benefit; [Workplace nursery benefit](#)

### C. So parents using your nursery can benefit greatly but how does it help you?

- We confirm the fees due with you at the beginning and then invoice the parents employer for that fee monthly.
- You receive the full fee into your bank account on the first of each month, for the fees due that month. This makes it simple for you to see that the fees have been paid. It also means you just have a single payment coming in to cover the fees and not a voucher from mum, a voucher from dad and a top up payment each month with numerous payments to be reconciled.
- In order to satisfy the tax regulations that this benefit is based on, the parent usually signs up for this benefit over 6 or 12 months so your admin is minimal for that period.
- The parents' employer must provide you with additional funding over and above the monthly fees, to be used towards the running and upkeep of the nursery. We set up contracts so that you receive an extra £1200 a year for each parent using the benefit. If just 10 parents sign up, that's £12,000 extra for the nursery every year!
- There are meetings which must be held at the nursery between EB, the nursery and the parent. Face to face meetings will be once a year at the beginning of the contract and one more telephone call will be made between EB and the nursery half way through. The face to face meeting will last up to 1 hour and this is to discuss and agree on how you would like to spend the additional funding within the setting. EB will arrange and attend all the meetings and note down/send all the minutes to each party afterwards.
- We have found this is a great selling point for nurseries as parents have chosen nurseries offering this benefit over ones who don't, due to the amazing savings.



### D. Getting Started

1. Enjoy Benefits will send you the Nursery terms to sign via DocuSign once you are happy to proceed.
2. We will send you the information to send out for the launch email and leaflets to your nursery parents
3. They contact us direct for a calculation and then you leave the rest to us!

### E. Frequently Asked Questions

1. **Our nursery fees vary each month; can parents still use the scheme?** Yes, you will confirm the agreements' fees before the start of the contract so as long as we know the correct amount to invoice for, if they vary, it isn't a problem.
2. **Parents receive free hours from the government, how does this affect the agreement with Enjoy Benefits?** Again, you will make us aware of the nursery fees to enter into our system which we will confirm with parents too before we invoice. You are able to deduct the free hours from the total bill and inform us of the outstanding amount. If you aren't aware at the beginning of the agreement, as long as we are given 4 weeks' notice of a change then we can alter the fees we already have confirmed.
3. **How much do parents' fees need to be in order to qualify?** This depends on their circumstances; if both parents can claim childcare vouchers or not and what tax rate they are. Enjoy Benefits are able to send parents a calculation based on their current situation to see which would benefit them more. In general, we require that nursery fees are no lower than £350 per month to take advantage of the workplace nursery benefit.
4. **How long is the agreement term?** Normally 12 months. We would get in touch on the 10th month to see if you and the parent are happy to renew the agreement each time until the child leaves for school/turns 5 years old.
5. **Some children are going to school in less than 12 months; can their parents' still set up an agreement?** Yes, we are able to alter contract lengths in certain circumstances but the minimum length of agreement is 3 months.
6. **What if the parent moves nurseries during the agreement?** As the agreement is contractual, if they leave, they would need to give Enjoy Benefits 1 months' notice. The nursery fee deduction will stop but the nursery will still be entitled to your additional funding until the end of the agreement.
7. **How much funding does my nursery receive?** The nursery will receive a maximum of £100 extra per month or £1200 extra per year per agreement. This is money that can be put towards anything tangible for the children such as; outdoor equipment, staff training, paying for outsourced companies like Zoolab and dance/ballet lessons, day trips and indoor equipment.

**When can I start?** Call Enjoy Benefits on 0800 088 7315 or email [wnp@enjoybenefits.co.uk](mailto:wnp@enjoybenefits.co.uk)

