

Childcare Vouchers

Childcare voucher schemes are being phased out by HMRC and are closed to new entrants. For the latest information see the [Gov.uk website](#).

Tax-Free Childcare, an alternative

The Government has introduced an alternative called [tax-free childcare](#) which is independent from payroll. You set up an account and every time you pay money in, the Government will top it up by 20%. The money can then be used to pay for approved childcare. It offers greater flexibility as you don't need to pay in a fixed monthly amount and the potential savings are greater for those with high childcare costs. You will need to check that you meet the eligibility criteria and that the childcare provider is able to accept payments via tax-free childcare.

There is a lot of useful information on www.childcarechoices.gov.uk and there is a link to a [calculator](#) to help you work out what you are entitled to and to help you decide which scheme will be best for you and your family. **Please note you cannot participate in both schemes so if you decide to join tax-free childcare you must leave our childcare voucher scheme and would not be able to rejoin.** You will need to send us an email confirming the reason you need to leave the scheme within 90 days.

Key facts about our Childcare Voucher Scheme (THIS SCHEME IS CLOSED TO NEW APPLICANTS)

If you are in our current scheme operated by Edenred then please see below for information and how to update or renew based on the email recently sent to you.

What is it?

It is a legal agreement between you, the Church Commissioners and your funding body. You agree to give up a fixed amount of your stipend each month in exchange for electronic childcare vouchers. This allows you to save tax and National Insurance on your childcare costs; your funding body will also save National Insurance. The agreement will remain in place for the remainder of the tax year and you would need to re-apply by 31 March each year to continue to benefit.

- Childcare vouchers will impact on tax credits
- Childcare vouchers will not affect your pension entitlement
- It may affect your entitlement to statutory pay if you do not qualify for a full stipend while you are on parental leave ie maternity, paternity, adoption or shared parental leave

How does it work?

Vouchers are paid into an account with Edenred each month on payday. You can manage this account online or via telephone. You can then transfer this money to your childcare provider directly to pay towards eligible childcare costs.

Childcare Vouchers can be used to pay for a wide range of childcare 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) and holiday clubs

Vouchers can't be used for childcare provided by a relative. If you have a change in your childcare arrangements please check your new provider is Ofsted registered and is able to accept vouchers from Edenred. For more information on what counts as eligible childcare costs please take a look at [FAQs on the Edenred website](#).

Is there a minimum/maximum voucher value?

The maximum voucher value is £243 per month. If you are a higher rate tax payer the voucher value may be restricted further, but the overall

saving should be equivalent to someone paying the basic rate of tax. We will do an earnings assessment each year and will contact you if this applies to you.

There is no minimum voucher value but we would ask you bear in mind that your funding body pays an administration charge each month to enable you to access the scheme, which is usually covered by their National Insurance saving. The administration charge is currently £15 per month, including VAT at 20%

Can I change the monthly amount or leave the scheme?

You can only amend the voucher value, or leave the scheme, if you join tax-free childcare or have a change in your personal circumstances, a list of reasonable lifestyle changes can be found on the [application form](#). Any existing agreement will expire at the end of the tax year and if you choose to reapply you can amend the voucher value at this time.

It is important to remember that:

- Your vouchers don't expire and can be used to pay towards eligible childcare costs in the future, including after school clubs and holiday clubs for older children.
- If you decide to leave the Childcare Voucher Scheme you won't be able to rejoin the scheme in the future
- You can't participate in tax-free childcare and our Childcare Voucher Scheme at the same time

If you need to leave our Childcare Voucher Scheme please send us an email explaining why you need to leave the scheme early. You need to give us one month's notice. So to stop the deduction at the end of October you need to get in touch with us by 30 September. Don't forget to include your name and unique reference number on the email.

If you need to amend the value of your Childcare Voucher you will need to complete a new agreement and clearly set out the reason for the change. You need to give us a full month's notice. So if we receive the form by 31 October, the new amount will be paid into your Edenred account on 30 November.

The information above is correct to the best of our knowledge at time of writing. For the latest information about the closure of childcare voucher schemes please see <https://www.gov.uk/help-with-childcare-costs/childcare-vouchers>

- [Childcare voucher form 2024](#) (117.36 KB)