

University of Sussex

Sussex Flexible Child Care (SFCC) Scheme

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1 Introduction

- 1.1 This guide is designed to help you if you are considering using the University's children's facilities for your childcare needs. It gives information on the application process for the Sussex Flexible Childcare Scheme (SFCC), as well as the rules and benefits of the SFCC Scheme.
- 1.2 The guide is written as a summary, and your particular circumstances will be detailed in a letter to you from Human Resources.
- 1.3 Specific details about who to contact are given in section 11 on page 4.

2 The Sussex Flexible Childcare Scheme

The Sussex Flexible Childcare Scheme is a salary sacrifice scheme that has been agreed with HM Revenue and Customs. It is open to employees of the University who wish to use the childcare facilities on campus.

3 Benefits of joining the SFCC

The SFCC Scheme is a salary sacrifice arrangement designed to enable the University to lower the cost of your childcare. By sacrificing a part of your salary (to pay for childcare) your statutory deductions, such as income tax and National Insurance, are reduced. However, the annualised nursery cost should not result in your salary falling below the National Minimum Wage, nor less than the minimum for National Insurance purposes.

4 Who is eligible to join the SFCC

The scheme is open to University employees only – there is no requirement for a specific length of service. Entry to the scheme is at the discretion of the University and is also dependent on full settlement of childcare costs for prior periods. Any outstanding bills for childcare or lunch costs will be deducted from the employee's salary before joining the SFCC and do not form part of the scheme.

5 Charges

Children's Facilities fees are set on an annual basis to coincide with the SFCC year and will be notified to parents by the Children's Facilities management. If for any reason you do not receive notification of current or proposed charges you should contact Trading Services Finance.

Trading Services Finance inform Human Resources of the revised annual childcare fees so that they can inform participants of the Scheme of their revised sacrificed salaries.

6 How to apply

You must, in the first instance, contact the nursery or preschool to establish that a place will be available for your child and make a confirmed booking. You should then write to Trading Services Finance, asking to be considered for participation in the scheme.

If this is agreed, Trading Services Finance will inform Human Resources of your childcare fees so that they can inform you of your sacrificed salary. You should sign and return the additional copy of that letter as it constitutes a change to your terms and conditions of employment.

7 Changes to your membership of the SFCC

Under normal circumstances, your sacrificed salary cannot be renegotiated during the scheme year in the light of a decrease in the number of sessions you require. Any overestimate in the number of sessions you require cannot be redressed by refund or offsetting against the next period. However, if you are aware **at the start of the Scheme year** that you will need to reduce the number of sessions part way through the year this should be explained to the Manager of Children's Facilities and Trading Services Finance at the start of the Scheme year. This will then be taken into account in the calculations prior to informing you of your sacrificed salary.

Unforeseeable reductions in sessions should be notified as soon as possible to Trading Services Finance and these will be dealt with on an individual basis. Management have the discretion to allow you to leave the Scheme or reduce sessions in certain exceptional and unforeseen circumstances. In these circumstances you should write to Human Resources.

8 Leaving the SFCC

Under normal circumstances, you cannot decide to leave the scheme during the scheme year. There are, however, two main exceptions:

- ***You are leaving the employment of the University:*** you are allowed to withdraw your child at the same time that you are leaving the University, provided you give one month's written notice to Trading Services Finance. However, if you withdraw your child prior to you leaving you may be charged for some of the sessions for which you have withdrawn your child. In these circumstances Trading Services Finance should be notified as soon as possible, and at least one month before leaving.
- ***You are aware at the start of the Scheme year that you will need to withdraw your child part way through the year, e.g. your child is starting school:*** this should be explained to the Manager of Children's Facilities and Trading Services Finance, at the start of the Scheme year. This will then be taken into account in the calculations prior to informing you of your sacrificed salary.

Management have the discretion to allow you to leave the Scheme or reduce sessions in certain exceptional and unforeseen circumstances. In either of these events, you should contact Trading Services Finance as soon as possible and write to Human Resources setting out the circumstances for consideration.

9 Maternity leave

If you are aware at the start of the Scheme year that you will be going on maternity leave during the Scheme year, and you intend to reduce the number of sessions whilst you are on maternity leave, you should inform the Manager of Children's Facilities and Trading Services Finance at that time so that this can be taken into account when calculating your childcare costs. Your maternity pay will be based on your sacrificed salary.

If you do not intend to reduce the number of sessions whilst you are on maternity leave, you do not need to take any formal action with regard to membership of the SFCC Scheme. However, you should inform the Manager of Children's Facilities for contact purposes.

If you go on maternity leave during the scheme year unexpectedly, an adjustment to your childcare costs may need to be made, taking into account any reduction in sessions. Your maternity pay will be based on your sacrificed salary at the time of going on maternity leave.

If you withdraw your child from the nursery/preschool you will also leave the Scheme. On your return to the University, you will have to re-apply in the normal way but neither childcare sessions nor re-entry into the SFCC Scheme can be guaranteed.

10 Unpaid leave

If you are aware at the start of the Scheme year that you will be taking unpaid leave during the Scheme year, you should inform the Manager of Children's Facilities and Trading Services Finance at that time so that this can be taken into account when calculating your childcare costs. If your child remains in the childcare facility you should make arrangements with Trading Services Finance to pay for the sessions by invoice. Your membership of the Scheme will be suspended until the first of the month following your return to work.

If your unpaid leave is unforeseen you should inform the Manager of Children's Facilities and Trading Services Finance as soon as possible. If your child remains in the childcare facility you should make arrangements with Trading Services Finance to pay for the sessions by invoice. Your membership of the Scheme will be suspended until the first of the month following your return to work.

In either of the above two cases, if you withdraw your child from the childcare facility you will also leave the SFCC Scheme. Should you wish to re-join the Scheme you would have to apply in the normal way but neither childcare sessions nor re-entry into the Scheme would be guaranteed.

11 Key contacts

Children's Facilities (for issues directly relating to your childcare):
Penny Peters, Childcare Manager
Tel: 678356; email: P.A.Peters@sussex.ac.uk

Trading Services Finance (RSTS) (for issues regarding your fees):
Mia Ashford
Tel: 606755 ext 4244; email: M.Ashford@sussex.ac.uk

Human Resources (for issues regarding your employment or the terms of the Scheme):
Margaret Cramp, HR Manager, Administrative Services
Tel: 877606; email: M.Cramp@sussex.ac.uk

Payroll (for issues regarding your pay):
Jill Elliott, Payroll Manager
Tel: 877717; email J.Elliott@sussex.ac.uk

12 Frequently asked questions

12.1 Can I join the SFCC scheme part way through the year?

Yes. You will need to apply in the same way as above once your sessions have been allocated to you. However, under no circumstances will retrospective entry into the scheme be agreed. For example if your child began nursery sessions in September, but you decide to enter the scheme in December, you will not be able to backdate your entry into the scheme to September.

If you join part way through the year your salary will be reduced by your annualised crèche fee. Take as an example someone joining six months into the scheme year with an annual salary of £20,000 and a bill for the remaining six months of £2,400. In order that the member of staff pays the £2,400 in six months it is necessary to take £400 every month from their salary. However we have to represent the salary as an annual figure, that is over a period of twelve months. We still need to take £400 from the salary every month; therefore expressed as an annual figure (annualised) the crèche bill is £4,800. The sacrificed salary is therefore £15,200. The member of staff will still only pay £2,400 as only six payments are being taken each of £400.

Annualisation

Sacrificed salary = original salary – (crèche bill x (12 / number of months of SFCC year remaining))

$$£15,200 = £20,000 - (£2400 \times (12 / 6))$$

$$£15,200 = £20,000 - (£2,400 \times 2)$$

$$£15,200 = £20,000 - £4,800$$

12.2 My fixed term appointment ends during the SFCC scheme year. Can I still join the scheme?

Yes, your apportioned childcare costs will take account of your fixed term appointment ending during the scheme year. If your fixed term appointment is renewed or extended and further childcare provision is required, you will be able to continue your participation in the scheme for the duration of your extension and your childcare costs will be recalculated as necessary.

12.3 What happens if additional childcare sessions are offered to me at a later stage?

Unfortunately it will not be possible for these additional sessions to be automatically included in the arrangements. If these additional sessions are offered before you are notified of your sacrificed salary, it may be possible to incorporate them into the arrangements. However, this is at the discretion of the University. If these sessions are offered to you after you are notified of your sacrificed salary, the additional sessions must be paid for on receipt of invoices in the normal way. Invoices can be paid over the period of a term as long as they are cleared by the end of each one.

12.4 What happens if my child transfers between units e.g. from the Baby Room to the Toddler Room?

The fee levels reduce slightly as the children move up through the age-group rooms from Baby Room to Toddler room and then on to the Preschool. If there is a financial implication to the move, HR will inform you of your revised sacrificed salary.

12.5 How will pay awards and increments affect my salary?

The amount of any pay awards and increments will be applied to your non-sacrificed salary ie your salary prior to joining the scheme. Childcare costs will then be deducted from this, and this will become your new sacrificed salary.

12.6 What are the implications for my University pension and life assurance arrangements?

If you are a member of USS or SGSS your pensionable salary will not change as a result of joining the SFCC, so there are no implications for your University pension and life assurance arrangements. You can also take out or continue to participate in an AVC in the normal way.

If you are a member of USPAS or the NHS pension scheme your pensionable salary will reduce as a result of joining the SFCC. NHS members can take out or participate in an AVC in the normal way.

If you are in the Salary Exchange Scheme your pensionable salary is the notional salary.

12.7 What happens if I increase or reduce my hours of work?

You will be issued a revised letter of appointment setting out the change in hours. Your childcare costs will continue to be deducted from your amended salary so you will have a new sacrificed salary. You should ensure that any reduced salary is sufficient to cover those costs. Should your new hours affect the number of sessions you require, please contact Trading Services Finance in the first instance, as this may affect the calculation of your salary.

12.8 How will other payments to which I may be entitled be affected?

Any overtime payments or allowances, which are applied as a percentage to your salary, or sick pay or holiday pay to which you may be entitled will be based on your sacrificed salary.

12.9 What are the implications for entering into a mortgage agreement?

The University is obliged to declare your sacrificed salary on financial references to mortgage lenders. However, your net disposable income is affected by being in the SFCC and this may be taken into account by mortgage lenders.

Human Resources
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