

# Maternity leave, paternity leave, shared parental leave, childcare vouchers and the April 2018 deadline

Recently, with the childcare voucher scheme closing to new entrants from April 2018, we've had a few calls from both employers and parents asking how maternity leave, paternity leave and shared parental leave affects childcare vouchers.

## In a nutshell

With the April 2018 deadline fast approaching, it's time to review your scheme rules. As a family-friendly employer you'll need to make sure all your working parents on maternity leave or about to go on maternity leave remain eligible for childcare vouchers beyond April 2018.

If a parent becomes ineligible for childcare vouchers after April 2018 then Tax-Free Childcare (TFC) will be their only option, assuming they're eligible. They won't be able to re-join your childcare voucher scheme as it will be closed to new entrants.

## Reviewing your scheme rules

In March 2016 an [Employment Appeal Tribunal](#) ruled employers **do not** have to provide childcare vouchers during maternity leave when offered through salary sacrifice, **providing this is covered in their scheme rules**. As a result some (but not all) employers updated their scheme rules to allow them to stop childcare vouchers during maternity leave.

If your scheme rules state employees are **NOT** entitled to childcare vouchers during maternity/paternity leave, and they're allowed to take up to 12 months leave\*, you need to consider changing your scheme rules to allow the parent to take at least one childcare voucher during the 12 months they're away from work to make sure they're still eligible for the scheme:

- > To do this, you or the parent could fund a childcare voucher as part of one of their 'Keep in touch' days during their maternity/paternity leave
- > This could be for as low as £20

\* Shared parental leave (SPL) is unlikely to be affected in the same way as maternity/paternity leave as the SPL will be split into two parts.

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## Maximising parent uptake on your childcare voucher scheme before April 2018

There are a lot of eligibility criteria for Tax-Free Childcare (TFC), so we recommend parents use our [Decision Tree](#) to see if they (and their partner, if they have one) are eligible for TFC.

Assuming they're eligible for both schemes, registering for childcare vouchers before April 2018 will give your employees the luxury of time, to work out which scheme is best for them and their family.

It's important to remember that once they've joined the TFC scheme, they can't switch to childcare vouchers at a later date. But they can switch from childcare vouchers to TFC, even after April 2018.

## Managing parents' orders whilst on maternity/paternity leave

Parents should never be 'removed' from the **scheme** whilst on maternity leave. As long as they take a childcare voucher in a rolling 12-month period, they'll remain eligible for the scheme.

If you do remove them and then ask them to re-join the scheme, after April 2018 they won't be able to do this – as the scheme will be closed to new entrants.

You can 'temporarily remove' or 'permanently remove' a parent from the **childcare voucher order**. They'll still remain eligible for childcare vouchers, as long as they don't fall foul of the 12-month rule.

### Parents with enhanced Maternity/Paternity leave

There may be sufficient funds to continue paying for the childcare vouchers from their salary.

### Parents with Statutory Maternity/Paternity Pay

A parent isn't allowed to salary sacrifice their SMP or ShPP for a childcare voucher, so:

- > many employers will pay for the childcare vouchers on behalf of the parent
- > employers who have scheme rules that require the parent to stop their childcare voucher order may allow a parent to fund (or they can fund) a childcare voucher as part of one of their 'Keep in touch' days (if they will be away from work for more than 12 months)

# Advice for your working parents

## 1 ALREADY ON MATERNITY LEAVE

You can register for childcare vouchers as soon as the baby is born, providing it's before the childcare voucher scheme closes to new entrants in April 2018.

You can then place an 'advance order' (up to 12 months), for when you return to work or receive a childcare voucher from a paid 'keep in touch day' during your maternity leave/paternity leave. With Computershare, this 'advance order' can be for as little as £20.

Your partner, if you have one, can also register for childcare vouchers as soon as your child is born, providing their employer runs a childcare voucher scheme.

## 2 GOING ON MATERNITY LEAVE (1ST CHILD) BEFORE APRIL 2018

As this is your first baby you can register for childcare vouchers once the baby is born, as long as it's before the April 2018 deadline.

You can then place an 'advance order' (up to 12 months), for when you return to work or a paid 'keep in touch day', with Computershare, this 'advance order' can be for as little as £20.

Your partner, if you have one, can also register for childcare vouchers as soon as your child is born, providing their employer runs a childcare voucher scheme.

## 3 GOING ON MATERNITY LEAVE (2nd + CHILD) BEFORE APRIL 2018

You can apply for childcare vouchers today! They can be stored in your electronic childcare account, ready to use whenever you need them.

As long as you register for childcare vouchers before April 2018 (when the scheme closes to new entrants) and place an order in every rolling 12-month period, you will remain eligible for childcare vouchers.

## 4 GOING ON MATERNITY LEAVE (1st CHILD) AFTER APRIL 2018

If your child is born after April 2018 then Tax-Free Childcare (TFC) will be your only option (assuming you're eligible) as your employer's childcare voucher scheme will have closed to new entrants.

## 5 GOING ON MATERNITY LEAVE (2nd+ CHILD) AFTER APRIL 2018

Since this isn't your first child you and your partner can apply for childcare vouchers today.

If you don't register before April 2018 then Tax-Free Childcare (TFC) will be your only option (assuming you're eligible).