

JOINING THE UEA NURSERY SALARY SACRIFICE SCHEME

1. If a place at the UEA Nursery has been confirmed by the Nursery Manager and you have signed a contract in respect of your child(ren) attending the Nursery, you can consider membership of the Nursery Salary Sacrifice Scheme.
2. Work out the number of sessions over the period 1 August to 31 July (or other start date to 31 July if you join part way through the Scheme year) when your child will be attending the Nursery and calculate the total cost from the information given to you by the Nursery Manager, including retainer days.

Note: Any over-estimate in Nursery costs at the end of the Scheme year may be carried forward and used against your UEA Nursery fees in the following year. It should be noted, however, that no refunds can be given if your child leaves the UEA Nursery.

3. Write to the UEA Human Resources Division (Mrs. Diane Whalen, Human Resources Administrator) stating that you wish to join the Scheme and stating the **total** cost for the period.
4. The Human Resources Division will send you a letter offering you a variation to your contract of employment.
5. If you agree to the stated salary reduction, you will enter the Scheme once the Human Resources Division has received your written acceptance.
6. A member of staff may join the scheme at any time during the Scheme year for the period ending 31 July. Joining the scheme is taken as from the first day of the month in question. Under no circumstances will retrospection in respect of entry into the Scheme be possible. For example, if your child began Nursery sessions in August but you decided to enter the scheme in October, it would not be possible to backdate entry to August or add these fees to your salary sacrifice figures from October, (although entry from October is possible provided we have received your figures, offered a variation to your contract and received your acceptance in time to meet the Payroll deadline).

The Nursery salary sacrifice scheme operates during a Scheme year which will run from 1 August to 31 July, unless you hold a fixed term contract, in which case the salary sacrifice will cover the period 1 August to the fixed term end date. If your contract is extended then you may re-join the scheme. Dispensation from HMRC has to be obtained each year. Automatic continuation of the Scheme cannot be guaranteed as taxation laws may change. Pension contributions are based on the reference¹ salary before the sacrifice is made.

If you have any queries about the operation of the Scheme, please contact the Human Resources Administrator (Diane Whalen) on ext. 2733 or the Payroll Manager (Lorna Jesty) on ext. 3484.

Human Resources Division
June 2012

¹ "Reference" salary throughout this document relates to the gross salary on which your salary and overtime, if applicable, is calculated.

UEA NURSERY SALARY SACRIFICE SCHEME : INFORMATION SHEET AND TERMS AND CONDITIONS

The following scheme is for employees of the University to receive tax-free child care in respect of children placed in the UEA Nursery. Examples of the salary sacrifice can be found at: <https://intranet.uea.ac.uk/fin/payrollpensions/examplesnurserysalarysacrifice>

The following sets out the terms and conditions for entry into the Salary Sacrifice Scheme. If you wish to discuss any matters relating to this scheme which are not addressed in the following notes or the possibility of a variation in your employment contract in line with the provisions of the Scheme as detailed below, please contact Diane Whalen (ext 2733) in the Human Resources Division. Any discussion is not binding; the salary reduction would only be effected on the formal acceptance, in writing, of a contractual variation.

UEA NURSERY SALARY SACRIFICE PACKAGE - TERMS AND CONDITIONS

- Entry into the Nursery Salary Sacrifice Scheme can be agreed only on confirmation of a place in the Nursery by the Nursery Manager.
- Employees with children regularly attending the UEA Nursery are given the opportunity to agree a salary sacrifice package by agreeing to a revision to their contract of employment to enable the UEA-based child care to be treated as a tax-free benefit.
- The Scheme year will run from 1 August through to 31 July and deductions from salary will be made over the full 12 month period (or from the date you join the scheme) to 31 July. Deductions cannot cease part-way through the scheme membership period.
- The revision of the employment contract must be made for the full Scheme year (or part thereof if joining the Scheme after 1 August), and would comprise a reduction in salary in line with the anticipated Nursery fees in the period. **The fixed reduction in salary cannot be re-negotiated in the light of either an increase or a decrease in the rate of use of the Nursery from that anticipated when the change in the employment contract (or Salary Sacrifice package) is formally agreed.** The only exception may be in cases of a life changing event where re-negotiation would be at the discretion of the Director of Human Resources whose decision is final. Any over-estimate in Nursery costs at the end of the Scheme year may be carried forward and used against your UEA Nursery fees in the following year. It should be noted, however, that no refunds can be given if your child leaves the UEA Nursery.
- Any additional sessions agreed with the Nursery Manager, over and above those covered by the salary sacrifice package, will be invoiced separately by the Nursery.
- A member of staff may join the scheme at any time during the Scheme year for the period ending 31 July. Joining the scheme is taken as from the first day of the month in question. Under no circumstances will retrospection in respect of entry into the Scheme be possible. For example, if your child began Nursery sessions in August but you decided to enter the Scheme in October, it would not be possible to backdate entry to August or add these fees to your salary sacrifice figures from October, (although entry from October is possible provided we have received your figures, offered a variation to your contract and received your acceptance in time to meet the Payroll deadline).
- A member of staff who is employed on a fixed-term employment contract ending during the salary sacrifice year will be offered a package which takes this into account. If the contract is subsequently extended, a further contractual variation may be offered to take this into account. Any member of staff who has a break in their employment

contract during the period of the Scheme Year should apply to the Human Resources Division for further re-negotiation.

- Any employee wishing to withdraw from the Scheme as a result of their employment ending at the University should give six weeks notice to the Human Resources Division and to the Nursery. Any sums outstanding in respect of fees will be invoiced; however no refunds will be made.
- Pay reviews, increments, changes in Nursery fees and changes in the age range of children attending the Nursery will be incorporated in the Scheme.
- If the employee is a member of the pension scheme and decides to opt for this contractual variation, the pension scheme contributions will be based on the reference salary **before** the salary sacrifice is made. Further details relating to this may be found in the Introduction section of the booklet "Pensions*Extra*" available at: https://intranet.uea.ac.uk/polopoly_fs/1.97198!pensions%20extra%20booklet.pdf . Any specific queries relating to the effect of this variation on your pension overall should be addressed to the Pensions Staff (ext. 2676, ext. 1081 or ext. 1211).
- If the employee is a member of the NHS pension scheme they require contributions to be calculated on the post-sacrifice salary, with consequential effects upon the employee's benefit entitlement. We would therefore advise you to contact the Pensions Staff who administer the NHS scheme on ext. 1081.
- Any overtime payments made to an employee who has entered into the Salary Sacrifice Scheme will be based on the reference salary. Any payments for stand-in duties will continue to be paid at the mid-points of the relevant salary grades.
- Any employee who intends to take a period of unpaid leave during the Scheme year should ensure that this is taken account of in arriving at the best estimate of Nursery use for the period. The re-negotiated salary will, in such cases, be spread over the periods in the year when the employee is receiving pay from the University.

Employees who enter into a re-negotiated salary for the year and who subsequently are absent on long-term sick leave or who become pregnant and therefore will take maternity leave should please ensure that they inform the Human Resources Division and the Payroll Office as early as practicable so that the appropriate arrangements can be made to take account of these circumstances. This is most important as under legislation you are not permitted to sacrifice against any part of your statutory payment such as Statutory Maternity Pay (SMP) and non-cash benefits in existence prior to your maternity leave should be continued . Also during the period when average earnings are calculated for SMP it could prove detrimental to you to continue in the scheme, as the effect of a sacrifice is to reduce your salary thereby possibly reducing your SMP.

- The Nursery Salary Sacrifice Scheme operates during a **Scheme Year**. Dispensation from HMRC has to be obtained each year. Automatic continuation of the Scheme cannot be guaranteed as taxation laws may change. Pension contributions are based on the reference salary before the sacrifice is made. Further information on "salary sacrifice schemes" can be found at:

<https://intranet.uea.ac.uk/fin/payrollpensions/salariesacrifice>