

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 holiday fees.

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 is leaving the UEA Nursery.

3. Contact the Human Resources Office (email.d.whalen@uea.ac.uk) stating that you wish to join the Scheme and giving the **total** cost of your nursery fees for the period 1 August to 31 July. Your potential revision of contract will be checked by the Payroll Office against the National Living Wage (see Terms and Conditions overleaf) and you will be advised if this is likely to affect your nursery salary sacrifice.
4. The Human Resources Office 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 signed 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 (Ann Henwood) on ext. 3484.

Human Resources Division
May 2018

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 CONDITIONS OF MEMBERSHIP

The following scheme is for employees of the University to receive tax-free child care in respect of children placed in the UEA Nursery.

The following sets out the 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 the Human Resources Office on ext. 2733 or Payroll Office on ext. 2677. Any discussion is not binding; the salary reduction would only take effect upon receipt of the formal acceptance, in writing, of a contractual variation.

UEA NURSERY SALARY SACRIFICE PACKAGE – CONDITIONS OF MEMBERSHIP

- 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 childcare to be treated as a tax-free benefit.

- National Minimum Wage (NMW)

If your gross pay in any period, after allowing for all benefits paid via salary sacrifice, falls below the National Minimum Wage (NMW) you will not be able to participate, since it is illegal to reduce an employee's pay below NMW. See www.gov.uk/national-minimum-wage-rates for further information. We are required to monitor pay levels against the NMW and automatically exclude you from the Childcare Salary Sacrifice Scheme if this situation should arise or reduce the amount you sacrifice accordingly.

- National Living Wage (NLW)

This applies to those aged 25 and over. We are required to monitor pay levels against the NLW after allowing for all benefits paid via salary sacrifice and may exclude you from the Childcare Salary Sacrifice Scheme or an alternative salary sacrifice if the situation should arise and you go below this figure.

- 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 Payroll Office where the decision is final. The Life Changing Event form can be found on the Finance website. 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 will be leaving 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 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.

Any member of staff who has a break in their employment contract during the period of the Scheme Year should discuss this with the Payroll Office.

- An employee wishing to withdraw from the Nursery Sacrifice Scheme as a result of their employment ending with the University must:

(1) Notify the Central Management Accountant in Finance of the date on which they are withdrawing their child from the Nursery, giving at least eight week's notice;

(2) Notify the Nursery, giving the required period of notice, as set out in the UEA Nursery's Terms and Conditions, Point 3 Notice Period, which can be found under Fees and Contracts at: <https://portal.uea.ac.uk/nursery>

You are advised to discuss with the Nursery Manager any reduction in sessions/withdrawal from the Nursery as a matter of urgency, taking into account the required notice period required. 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://portal.uea.ac.uk/finance/payroll>

Any specific queries relating to the effect of this variation on your pension overall should be addressed to the Pensions Assistant (ext. 1080 or 2676).

- 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 into account 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 or shared parental leave should please ensure that they inform the Human Resources Office and the Payroll Office as early as practicable so that the appropriate arrangements can be made to take account of these circumstances.

Salary Sacrifice scheme membership will be suspended during periods where no remuneration is being received by the employee, and the employee will be responsible for meeting Nursery Fees during that period.

- Under current legislation you are not permitted to sacrifice against any statutory payments such as Statutory Maternity Pay (SMP), Statutory Paternity Pay (SPP) or Shared Parental Pay (ShPP). During the period when average earnings are calculated for SMP, or similar, it could prove detrimental to you to continue in the scheme, as the effect of a sacrifice is to reduce your salary thereby possibly affecting your entitlement to statutory payments.
- 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://portal.uea.ac.uk/finance/payroll>

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