



## Human Resources & Health and Safety



Do you employ staff?

### Employment Law Update

**4<sup>th</sup> October 2018**

On this date employer-supported childcare voucher schemes will close to new entrants. The Government announced in March 2018, as part of The Income Tax (Limited Exemptions for Qualifying Childcare Vouchers and other Childcare) (Relevant Day) Regulations 2018, that childcare vouchers and contracted childcare that is directly provided by employer-supported arrangements, will be closed to new entrants.

This is because the Government wants there to be more of a focus on the tax-free childcare scheme that was introduced in April 2017, that is still surrounded by much confusion from parents. The hope is that the more the scheme is used, the more people will understand and appreciate how it works, and also the more the scheme is used the easier it is for the Government to receive feedback and fix any on-going issues. The tax-free childcare scheme is part of the larger tax-free childcare policy which involves parents applying directly to their local authority, rather than requesting support through their employer via a salary sacrifice.

After 4<sup>th</sup> October 2018, employers can continue to offer childcare vouchers or contracted childcare, but only to employees who were already part of the scheme before the cut off date. Employers are under no obligation to do this and can choose to end the scheme if they wish. If employers do want to end any childcare scheme they currently offer, they will need to be mindful of whether the scheme they currently offer is a contractual benefit. If so, employers will need to consult with their employees and seek to vary their terms and conditions before ceasing the scheme, to avoid any potential breach of contract claims.

### How Can We Help?

If you have any queries relating to the content of this newsletter, please don't hesitate to contact us at [hradvice@hasslefreehr.co.uk](mailto:hradvice@hasslefreehr.co.uk)