

Loughborough University
Nursery Salary Sacrifice Scheme
Frequently Asked Questions

Please read these FAQs together in the conditions of membership

How does salary sacrifice work?

If you are eligible and decide to take up the arrangement, you will agree to reduce your salary by the amount of your nursery fee (or a proportion of it depending on the amount of salary to be sacrificed), and in return you will benefit from lower tax and national insurance deductions on the reduced salary. The rate of saving for tax and NI would be based on the appropriate % for your level of earnings.

My invoice is different each month as it depends on how many 'nursery' days there are in the month – how does that practically work with salary sacrifice?

Once you have enrolled in the scheme, the amount you sacrifice is fixed for that year under the contract amendment you will have signed. The only eventuality under which this may be changed, is if your child(ren) qualify for Government funded free childcare mid-way through an annual cycle. Therefore, if your invoice does fluctuate each month due to the number of days being charged, you will need to decide a set amount for your monthly deduction.

I currently subscribe to the Government tax-free childcare/Childcare Voucher scheme. Can I continue with this and join the salary sacrifice scheme?

No. You can only receive the tax benefit once.

If you already subscribe to the Government's tax free childcare / Childcare Voucher scheme, you will need to decide whether you will be better off leaving this scheme and joining the University's nursery salary sacrifice scheme. You can potentially sacrifice more of your salary (which means you will save more in tax and national insurance) to cover more of your nursery costs under the University's scheme.

The Government's scheme is closed to new members. This means if you leave and do not re-join within 12 months you will not be able to use the scheme at a later date. If you intended to use salary sacrifice for other childcare, for example, child minders or after school clubs, it may be more beneficial for you to remain with the Government scheme.

Will the University subsidy continue in addition to the salary sacrifice scheme?

From 1st January 2022, staff on grades 1 – 4 will receive a subsidy of £1 per hour. There will no longer be any subsidy for staff on higher grades but savings can still be achieved by subscribing to the University's nursery salary sacrifice scheme.

How do I join the Nursery salary sacrifice scheme?

If you wish to join the scheme, please e-mail payroll@mailbox.lboro.ac.uk. If you would prefer a printed form, please email Caroline Farley at nursery@lboro.ac.uk or phone 01509 564068.

How can I find out how much I can save by joining the Loughborough University Nursery Salary Sacrifice Scheme?

You can use a salary sacrifice calculator to get an estimate as to how much you can save, such as the one [here](#) which is available free of charge on the internet. In order to calculate the amount to be saved through the scheme, use the calculator to identify how much tax and national insurance you pay:

- before any of your salary is sacrificed. (Enter 0 in the salary sacrifice box when calculating this figure.)
- after you have sacrificed some of your salary. (Enter the amount that you are intending to sacrifice in the salary sacrifice box.)

The combined difference in taxation and national insurance paid will indicate the level of saving that you can achieve.

If you already have another salary sacrifice arrangement in place which will continue in addition to the nursery salary sacrifice arrangement, for example, cycle to work, you should include the amount that you currently sacrifice to identify the tax and national insurance that you currently pay. To identify the additional savings that can be achieved under the nursery salary sacrifice scheme, combine the sum that you currently sacrifice with the sum that you propose to sacrifice under the nursery scheme. The difference in tax and national insurance between the two calculations indicates the additional amount to be saved under the nurse scheme.

We realise this is not the easiest tool to use. If you would like some help in navigating the calculator, please contact the following colleagues from HR Partnering. Please note that these colleagues cannot provide advice as to whether it is in your interest to move to the scheme nor answer queries relating to the scheme itself.

[Shelly Duckworth](#) - tel 01509 222247

[Divya Rama](#) – tel 01509 228027

[Leona Wilson](#)- tel 01509 228024

Who can I speak to about the scheme?

For support using the salary sacrifice calculator, please contact the above members of the HR Partnering Team.

For general queries about the scheme, please contact:
HR - Paul Cox-Stone: P.N.Cox-Stone@lboro.ac.uk, 01509 222017
Payroll - Amy Fox: A.Fox@lboro.ac.uk, 01509 222020

Please note we are unable to provide advice as to whether it is in your interest to move to the scheme.

Where can I find more information about salary sacrifice?

You can find out more about salary sacrifice from the money advice centre website which is available [here](#).