

## Childcare Voucher Scheme: Closure Looms

**The employer led childcare voucher scheme is closing to new entrants from 4th October 2018, with the new government led scheme taking its place. This will have an impact on current employee benefits, so employers must make employees aware of the change. Here, we explain what is happening.**

- Employers who currently offer the optional childcare voucher scheme, allowing working parents to convert some of their wages into tax-free childcare, may continue to operate the scheme if they wish.
- However, only employees who are already signed up to the scheme and have received their first set of vouchers by 4th October 2018 may continue to receive them.
- For anyone not already in their employer's scheme, support towards childcare costs will only be available from the government funded scheme which is accessed using an online account via HMRC.
- Employees will deposit funds into their account and the government will then top it up with their own contributions, up to £2,000 per child per year, to be used towards childcare costs.
- Employers should ensure employees are aware of the changes as it may cause uncertainty for anyone currently in their scheme.

### Age discrimination is 'holding workers back'

The Centre for Ageing Better has undertaken a study into age discrimination in the workplace, finding that half of workers believe their age would hold them back when applying for a job, and one in seven believing they have been turned down for work due to their age.

#### Did you know?

Employers must ensure workers do not suffer any detriment on account of their age, either during the recruitment process or throughout their employment. Older employees can be particularly valuable in mentoring roles to pass on their knowledge and experience to younger colleagues.

### TUC call for 4 day working week

The Trade Union Congress (TUC) have called on employers to use technology to maximise productivity and make a 4 day working week possible. This follows successful trials in Wales where a firm has received positive results from adopting this working approach.

#### Did you know?

Giving employees more control over their work-life balance can reap rewards in motivation and loyalty. Even though the right to flexible working exists, some employees may feel they have to "pick up the slack" from colleagues working flexibly. Allowing a 4 day week for everyone may be just the tonic, where operations allow.

### Commission on Economic Justice call for rise in NMW

An independent commission's review into the British economy has suggested it needs a significant restructure. As part of this they suggest national minimum wage (NMW) rates should be increased to break the trend of "low pay and low productivity"

#### Did you know?

NMW rates are categorised by age, including the current rate of £7.83 per hour for those aged 25 and over. There have been growing calls for employers to pay staff the voluntary real living wage of £8.75 per hour (£10.20 in London) to provide greater support to those working in low paid, less secure roles.

This change to the childcare voucher scheme is likely to be a confusing issue for working parents and employers must ensure they are up to date with the new position. If you would like further advice from Croner on your changing obligations as an employer give our 24 hour Advisory Service a call.

Please contact the 24 Hour Advice Service for advice on your specific situation before acting on the information in this publication.