

**FIREFIGHTERS' PENSION SCHEMES
2018/07**

WHO SHOULD READ:	Chief Fire Officer of the Scottish Fire and Rescue Service HR and Payroll Managers, Pensions Administrators
ACTION:	To read and circulate to interested parties and members of the Firefighters' Pension Schemes
SUBJECT:	Salary Sacrifice

The purpose of this circular is to provide clarification:

- On UK Government changes to Tax Free Childcare.

The UK Government will introduce new Tax-Free Childcare arrangements from October 2018. This means that the existing childcare voucher schemes will close to new members from this date.

Tax-Free Childcare

With Tax-Free Childcare a member can receive up to £500 every 3 months (£2000 a year) for each of their children to help towards the costs of childcare. If a member receives Tax-Free Childcare, the government will pay £2 for every £8 paid to the childcare provider via an online account.

To access this a member is required to register online and set up a personal Tax-Free Childcare account. More information about Tax-Free Childcare and how to register can be found at www.gov.uk.

Existing Childcare Vouchers

If a member currently participates in the childcare voucher salary sacrifice arrangements and wishes to continue with childcare vouchers after October 2018 they do not need to take any action for as long as they meet the qualification and eligibility criteria.

A member can also elect to move to Tax-Free Childcare if they feel this is a better option for them. They cannot, however, claim childcare vouchers and Tax-Free Childcare for the same child.

If a member stops their childcare voucher arrangements they will not be able to re-join as the scheme is now closed.



Further Information

Both the existing childcare voucher scheme and the new Tax-Free Childcare arrangements offer benefits but whether they are best for a member will depend on their own personal circumstances. Members must ensure that they are fully informed before making any decisions.

Claire McGow
Policy Manager
31 May 2018

Contact information

Please contact Claire.McGow@gov.scot if you have any enquiries about this circular. If you have any queries relating to the administration the scheme, please contact the administration team via e-mail at sppafirepensions@gov.scot or 01896 893080.

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