



Enterprise Rent-A-Car is pleased to introduce a new improved childcare benefit system, care-4, that enables working parents to save on childcare costs for children up to the age of 16 (a child qualifies up to 1st September following their 15th birthday or 1st September following their 16th birthday if the child is disabled) with professional childcare and make savings on their net payments.

CARE-4

Operated by The Grass Roots Group (GRG), care-4 enables you to authorise payments direct to your carers for all types of registered care, including childminders, nurseries and after school clubs and approved home care such as nannies. It excludes payment to blood relatives or spouses and partners.

Parents are free to select their own childcare providers who can be paid in part or in full through this simple, flexible and efficient system. care-4 uses telephone technology to eliminate the need for paper vouchers and the costs associated with issuing and processing them.

KEY FEATURES

You join the scheme by agreeing to exchange a portion of your basic contractual salary in return for an equivalent childcare benefit. The amount of money that you agree to exchange is fixed for 12 months, although there is some flexibility to amend it in the event of a significant lifestyle change (details of these can be found within the scheme rules.)

Your salary exchange is paid into your personal, secure care-4 account from which you authorise payments directly to your carers by a simple electronic process. Payments authorised to carers prior to 3.00 pm on any working day will be paid by BACS transfer and arrive in their bank account 2 working days later. You authorise payments by calling a 24-hour telephone line or by setting up a regular payment instruction if the frequency and amount is always the same.



My personal enterprise



BENEFITS TO YOU

The first £55 per week or £243.00 per month (tax year 2006-07) of your childcare costs paid through the care-4 scheme is exempt from both Tax and National Insurance Contributions; therefore what you personally save depends upon the rate at which you pay Tax and NI. The maximum savings that can be made through the scheme are £1195. However, these savings are per employee and therefore if Enterprise Rent-A-Car employs both you and your partner, you should both join the scheme in order to maximise the savings.

The scheme can be used to pay all forms of childcare approved in line with the current childcare voucher legislation. You have the freedom to select and nominate your own child carer from this approved list, to receive payment via the scheme. Those approved include: -

- Childminders (OFSTED registered, or if caring for children over 8 – having completed the home approval process)
- Nannies (home approved)
- Day Care Providers including day nurseries, nursery schools, after school or holiday play schemes and crèches. (OFSTED registered)

Relatives and spouses/partners are not eligible to be paid through the scheme.

HOW DO I JOIN THE SCHEME?

To join the scheme, you need to register with care-4. You can do this by telephone on 0870 870 4114, from 9.00am to 6.00 pm Monday to Friday, 9.00 am to 5.00 pm Saturdays. A care-4 agent will be waiting to help you through the registration process. Alternatively you can register on-line using website www.care-4.co.uk.

Whether you register by phone or on-line, you will be asked for the following information, which you must have to hand: -

- A unique identifier – ERAC
- Your full name and address (including postcode)
- Full name and date of birth of your children whose care is to be paid for through the scheme
- Full name and address (including postcode) of your carer(s)
- Your annual gross salary
- The annual amount of childcare benefit required

You must ensure that you have all this information prior to calling or logging on, care-4 will not save any information you provide if it is incomplete in any way.

NEXT STEPS

Following registration, care-4 will write to you, confirming the information that you submitted and providing the simple instructions on how to use your care-4 account.

You will also be sent documentation that you must sign and return to care-4 to confirm formally that you agree to exchange a portion of your salary in return for childcare benefit. Thereafter, when this confirmation has been received you will be included in the next payroll, and your salary exchange arrangements will commence from the next available pay period.

If you join after the initial registration period, you will be required to return your signed form as soon as possible and your benefit will commence from the next available payday.

You will be sent a personalised care-4 card, providing confirmation of your account number and carer codes to use when authorising payments in the scheme.

You should advise your carer(s) that you have nominated them to participate in the care-4 scheme, so that they are expecting care-4 to contact them. care-4 will write to each nominated carer, requesting their bank account details and confirmation that they are eligible to care for your children in line with the Childcare Voucher legislation. Your carer will also be sent a care-4 card, enabling them to check the status of payments to their account.

The exact amount you have exchanged from your salary is transferred directly in to a secure care-4 account. There are no hidden costs. From this, you then authorise payments direct to your carer's bank account, on-line or by using a 24 hour telephone service.

FREQUENTLY ASKED QUESTIONS

What savings can I make?

The care-4 scheme can save parents/guardians up to 41% on a maximum of £55 per week of their childcare costs (depending on pension arrangements and National Insurance contributions). The example below provides an illustration of the savings, based on the following assumptions:

Annual childcare costs 2006/07-tax year Partner earning less than	£2600 £32,760
Partner Contribution	£2916
NIC savings (11%)	£321
Tax savings 22%)	£642
Savings	£963

Can I change the amount of money that I exchange to pay for childcare when my childcare costs change?

You can change your elected salary exchange at the end of each 12-month period, unless an approved lifestyle change occurs. Therefore, where possible, you should take into consideration any changes that may occur during the 12-month period when you calculate the amount of salary that you wish to exchange for the care-4 benefit.

How do I join the Scheme?

You can register with care-4 during the registration period provided using your unique identifier. You can register via the care-4 website or via the telephone with a care-4 agent. A welcome pack will be sent to you confirming your registration details, enclosing an amendment to your contract, which you should sign and return to care-4. care-4 will also send a welcome pack to your nominated carer(s).

Can I cancel/amend the agreement at any time?

No, membership into the scheme is fixed for a period of 12 months. You may only cancel or amend subject to a specific lifestyle event (please refer to the scheme rules).

Will I get a refund if I do not use all my childcare provision for the year?

No, any monies remaining at the end of the 12-month period will simply be carried forward to the following year's scheme, so you should carefully calculate the amount of childcare provision you need.

Can I choose my own carer/s?

Yes, you have the complete freedom to select your own child carers; however they must be approved in line with the Childcare Voucher Legislation in order to receive payment via care-4. Those approved include: -

- Childminders (OFSTED registered, or if caring for children over 8 – having completed the home approval process)
- Nannies (home approved)
- Day Care Providers including day nurseries, nursery schools, after school or holiday play schemes and crèches. (OFSTED registered)

Relatives and spouses/partners are not eligible to be paid through the scheme

Can I change my nominated childcare provider/s?

Yes, you can register new child carers throughout the year. However to avoid delays in payment to them it is recommended that you nominate all your potential carers at the outset.

Will participating in care-4 affect my state benefits?

State benefits that are earnings-related (including higher-rate Statutory Maternity Pay or Statutory Sick Pay) will be based on your actual pay (contractual pay, i.e. after salary exchange reduction. This means that the amount of benefits that you are entitled to could be reduced. Any such reductions would need to be considered, prior to entering into the salary exchange agreement.

I currently receive Working Tax Credits; will this have an effect on my savings?

Yes, if you currently receive the Childcare Element of Working Tax Credits (WTC), as your entitlement might be reduced. If, however, you only receive the basic element of WTC there should be no disadvantage from joining. You should consider very carefully the impact that joining the scheme might have on the amount of WTC you might receive and compare it to any probable tax savings before you join the scheme.

Further advice can be obtained by contacting the Tax Credits helpline on 0845 300 3900 (0845 603 2000 in Northern Ireland).

