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Childcare Voucher Scheme

1. Terms and Conditions

- a) By offering the Linking Up childcare voucher scheme to your employees, you agree to abide by our Terms and Conditions.
- b) Unless otherwise agreed in writing, your scheme will operate in accordance with our standard scheme rules.
- c) It is your responsibility to ensure that the scheme rules accurately reflect your policies, particularly with regards to non-statutory pension and maternity benefits. If you require changes to our standard rules, then the changes must be requested in writing. We will then consider the requested changes in accordance with the appropriate legislation and guidance. We reserve the right to refuse a requested change, if we believe that the change would contravene the guidance or would significantly increase the administration of the scheme.
- d) Unless you inform us otherwise in writing, we will assume that all contractual benefits are based on full pre-sacrifice pay. Without limitation, this will apply to any contractual pension, life assurance and maternity benefits
- e) Linking Up vouchers are issued to employers and then redeemed by employees against the cost of childcare or nursery services provided by child-carers. Terms concerning the operation of the scheme, each parties' rights & obligations and the general terms and conditions which apply to the vouchers (none of which affect the employee's statutory rights) are as follows:

2. Interpretation

In this Agreement the following words and phrases shall unless the context otherwise requires, have the following meanings:

- a) "Child-carer" means the person or organisation approved by Linking Up which is employed or engaged by the Employee to care for the child(ren) of the Employee and who or which is legally entitled to care for the child(ren)
- b) "Employer" means any person who, or organisation which, purchases Linking Up vouchers and distributes these to Employees.
- c) "Intellectual Property Rights" means any patent, trade or service mark (including the Trade Mark), copyright, moral right, design right, registered design, know how

or any other intellectual property right or similar right of whatever nature subsisting in any part of the world.

- d) "Linking Up " means Linking Up Ltd, Horncastle (Company Number 5830401).
- e) "Employee" means any person wishing to redeem Linking Up vouchers against a Childcarer's childcare or nursery service costs.
- f) "Trade Mark" means the Linking Up trade mark.
- g) "Linking Up vouchers" means the transferable undertaking given by Linking Up (at an agreed monetary value) to pay a Child-carer an amount equivalent to the value of the Linking Up vouchers in return for the provision of childcare services by it to an Employee; the undertaking is given in return for a promise of payment of the agreed monetary value by the Employer together with the agreed commission.
- h) "Salary Sacrifice "means where an employee agrees to vary their contract of employment by agreeing to sacrifice part of their salary due under their contract of employment in return for Linking Up vouchers equivalent in value to the Employees salary which is sacrificed.

Operation of the Linking Up Voucher Scheme

3. Linking Up shall:

- a) Operate the scheme in accordance with our understanding of governing legislation and HMRC guidance relating to childcare vouchers. Any guidance provided by us in relation to governing legislation and HMRC guidance does not constitute legal advice and must not be relied upon as such.
- b) Inform you of any material change to the appropriate regulations and/or guidance within 90 days of becoming aware of any changes.
- c) On the guarantee of payment by the Employer (which the employer hereby gives), issue Linking Up vouchers at the amount advised to the Employee from time to time.
- d) Inform the Employer each month of the amounts (and any changes) in the value of Linking Up vouchers requested by the Employee and to be paid for by the Employer and invoice the Employer each month for the Linking Up voucher value together with a service charge as agreed.
- e) In consideration of the provision of childcare services to the Employee, pay to the Childcarer an amount equal to the value of Linking Up vouchers notified to it by the parent as soon as is reasonably practicable once payment is received from the Employer.
- f) Provide the Employer with statements and reconciliations on request relating to the Employers' Linking Up vouchers account if there are any discrepancies.
- g) If requested provide the Employer with a report within 10 working days of written request reporting on the Employer's account.
- h) Provide a Linking Up voucher helpdesk service open between the hours of 9.30am to 2.30pm Mon to Thursday 01507 528300. Otherwise administer the Linking Up voucher scheme.

4. The Employee shall:

- a) Agree the Salary Sacrifice with the Employer and this Agreement will then serve as an amendment to the Employee's Contract of Employment with regard to the Employee's salary which will be reduced by the Salary Sacrifice.
- b) Agree it is at the Employer's discretion to re-instate the Employees salary should the Employee leave the scheme.
- c) Agree with the Employer and the Child-carer the monthly value of Linking Up vouchers to be purchased by the Employer on the Employee's behalf and then inform Linking Up of these details (either in writing or by telephone)
- d) Promptly advise Linking Up in writing via email to enquiries@linkingup.org.uk of any changes in the value of Linking Up vouchers to be purchased by the Employer, their contact details or their Child-carer details.
- e) Commit to the Linking Up vouchers scheme, including the Salary Sacrifice scheme for a period of 12 months. During the 12 month period the Employee will only be able to exit or make amendments to the value of the Linking Up voucher scheme if they have a material lifestyle change (lifestyle changes include maternity, paternity, termination of employment relocation or redundancy).
- f) At or after the expiration of the 12 month period provide Linking Up and the Employer with one month's written notice to exit the scheme.
- g) Acknowledge in entering into the Linking Up voucher scheme that it and the Salary Sacrifice could affect other benefits such as, but not limited to SSP, SMP and Working Tax Credits. The Employee accepts and agrees that it is their responsibility to determine and understand the effect on their benefits that entry into the Linking Up vouchers scheme will have. Employees should contact the Inland Revenue helpline to discuss Working Tax Credits.
- h) The Employee should make enquiries to ensure that the Child-carer complies with all laws and regulations in relation to its activities, that the Child-carer is not prohibited by law from carrying out the activity of childcare, that the Child-carer has been approved by the police and all other relevant authorities to work with children and that the Child-carer has all necessary registrations.
- i) Any payment due for the provision of Childcare services to the Employee which exceeds the value of Linking Up vouchers (as confirmed by Linking Up) shall be payable by the Employee directly to the Child-carer and Linking Up and the Employer shall not be held liable.
- j) Ensure that at all the relevant times they meet the Employer's criteria for the Linking Up vouchers scheme and supply all information reasonably required by Linking Up to operate the Linking Up voucher scheme.
- k) The Employee agrees to be bound by the terms and conditions of the Linking Up voucher scheme as from time to time laid down by the Employer.
- l) The Employee agrees to be bound by the terms and conditions of the Linking Up voucher scheme as from time to time laid down by the Inland Revenue and any other regulatory body. Further, the Employee will indemnify and keep indemnified the Employer against all claims for income tax and/or national insurance

contributions which may arise in relation to the Salary Sacrifice or otherwise in relation to involvement in the childcare voucher scheme.

- m) The employee agrees to be liable for costs and expenses incurred for incorrect usage of the voucher by them.
- n) The employee agrees to use the vouchers exclusively with registered or approved carers.

5. The Employer shall:

- a) Agree that the initial contract with Linking Up Limited will be for one year. After the initial one-year term the agreement continues with the employer giving at least 2 clear months' notice to Linking Up Limited of cessation of the scheme.
- b) Notify HMRC that you are implementing a salary sacrifice childcare voucher scheme and seek HMRC's approval of your scheme.
- c) Inform us immediately if HMRC raise any queries in respect of your scheme. We will provide you with such reasonable assistance as you may require in responding to such queries.
- d) Be liable for any taxes, fines or penalties levied by HMRC as a result of your failure to seek, or to obtain, HMRC approval for the scheme.
- e) Be responsible for ensuring that the scheme is generally available to all your employees. You should ensure that employees or groups of employees are not excluded from joining the scheme on the grounds of their gender, seniority, position, level of pay or length of service.
- f) Comply with HMRC rules and publicise the scheme at least once a year and retain evidence of your marketing
- g) Ensure that at all relevant times the Employee meets the Employer's criteria for the Linking Up vouchers scheme and promptly informs Linking Up of any changes in the Employee's employment status or any ineligibility for the Linking Up voucher scheme.
- h) Provide such information as is reasonably requested by Linking Up from time to time in relation to the operation of the Linking Up voucher scheme and use its best endeavours to ensure that any information supplied is complete, true and accurate.
- i) Pay to Linking Up the amount due to the Childcare provider on the same day as the payroll run each month, along with the agreed service charge.
- j) Promptly inform Linking Up if the value of the Linking Up vouchers advised to it by Linking Up is not agreed.
- k) Ensure that the employee's earnings are above the National Minimum Wage and the Lower Earnings Limit after the salary sacrifice has been applied and for ensuring the correct amount of PAYE tax and national insurance is paid for each employee.
- l) Comply with all employment, tax and other relevant legislation.

- m) E-mail Linking Up to advise them of any Employee who has left the Linking Up voucher scheme.
- n) Agree that vouchers are paid for at time of order by BACS or cheque by first class post and are not valid until cleared payment is received by Linking Up. The voucher cost is not subject to VAT.
- o) Meet the service charge levied by Linking Up at the rate set for the level of service provided by Linking Up and these charges are subject to VAT at the applicable rate.
- p) Pay the service charge at the same time as the childcare vouchers are paid for. Failure to pay the service charge within 4 days will result in additional charges of £10 per occurrence being added to the next invoice.
- q) Pay the service charge up to and including the end of the period of notice required to exit the scheme using the employees last voucher amount to calculate the amount due.
- r) Agree that Linking Up is not liable for any costs and expenses incurred for the misuse of the vouchers and/or incorrect use of the voucher scheme by the Employer.
- s) Agree to be liable for costs or expenses incurred from changes made to any vouchers already issued.

You must notify us of an override to a scheme member's voucher order if:

1. The voucher amount would cause the scheme member's pay to fall below the National Minimum Wage
2. The scheme member has left your employment.
3. Scheme members are not permitted to sacrifice statutory payments. If a scheme member's voucher order would cause them to sacrifice a statutory payment, you may either:
 - (i) Elect to fund the scheme member's vouchers without requiring a corresponding reduction in their pay, or
 - (ii) Override their voucher order, having taken appropriate legal advice in respect of this action.
- t) Failure by you to notify us of an override in the cases detailed in t.a /t.b may lead to you being required to refund any vouchers which have been issued to and spent by the scheme member, and being liable for any consequences arising out of failure to comply with applicable legislation.
- u) You may notify us of an override to a scheme member's voucher order if the voucher amount would cause the scheme member's pay to fall below the Lower Earnings Limit ("LEL"). If you decide not to override a voucher order in this situation, you are responsible for advising the scheme member that they will lose the right to some statutory benefits.
- v) Unless the scheme member has experienced a lifestyle change as defined in your scheme rules, or their salary sacrifice agreement has expired, you may not override a salary sacrifice agreement in the event of a scheme member making an error in their voucher order, except at our discretion.

- w) If you need to override a scheme member's voucher order, you must notify us in writing at least one working day before vouchers are due to be released to the scheme member. We will only consider such notification to have been made once we have confirmed it by email.
- x) If you fail to notify us of an amendment to a voucher order or fail to obtain confirmation of the override from us in sufficient time and the vouchers are subsequently issued and spent by the scheme member, then you are liable for the loss of the vouchers.

6. The Child-carer shall:

- a) Provide such information as requested by Linking Up from time to time in relation to the administration and operation of the Linking Up voucher scheme and use its best endeavours to ensure that any information supplied is complete, true and accurate.
- b) Accept payment for its childcare services by way of Linking Up vouchers but not otherwise deal with Linking Up vouchers or accept them as payment for other goods or services.
- c) Ensure that the value of Linking Up vouchers paid by Linking Up is allocated in its entirety to the cost of childcare provided to the specified parent (which may be less than the cost of the childcare).
- d) Ensure that each and every payment received is: correct; due to the provider; and allocated to the correct parent account.
- e) Notify LUL immediately if any payment received is not due and return the payment in full to LUL within 2 working days.
- f) Linking Up reserves the right to charge the provider interest on any amounts the provider keeps and is not entitled to. These charged at 2% above bank of England base rate.
- g) Keep complete records of transactions involving Linking Up vouchers.
- h) Accept payments due to it from LUL in respect of childcare vouchers issued to parents for part of full payment of childcare services.
- i) Have and maintain a UK bank account which can receive BACS payments and provide details of the bank account to Linking Up at least 10 working days before the first payment is due.
- j) Accept payment by BACS and ensure that correct bank details are provided to Linking Up.
- k) If the Provider wishes to make changes to any details held by LUL relating to the Provider's bank, payee, name or address the Provider will:
 - provide a request in writing to LUL by email, clearly marking the request LUL
 - sign the request and in all cases quote the related LUL Account Number
 - give a minimum of 10 working days' notice
 - confirm to the Provider's own satisfaction that the request has reached LUL and has been processed accordingly

- k) LUL reserves the right to charge a service fee for the reissue of any payment initiated to the Provider by LUL against the Provider's incorrect instructions. LUL will not in any circumstances accept responsibility for any charges made to the Provider or any representative of the Provider by a bank or building society.
- l) LUL reserves the right to charge a service fee for the reissue of any payment initiated to the Provider by LUL against the Provider's incorrect instructions. LUL will not in any circumstances accept responsibility for any charges made to the Provider or any representative of the Provider by a bank or building society.
- m) LUL shall not have any liability for the failure of the Provider to provide valid accurate and timely bank payment details. The provider is wholly responsible for recovery of any monies paid to the account or accounts that the provider specifies.
- n) Raise any administrative queries by email or by telephoning 01507 528300.
- o) Be part of the Linking Up voucher scheme and will adhere to the terms and conditions of qualification and voucher redemption.
- p) Provide a valid copy of their registration or approval certificate to Linking Up and only then will the carer be able to redeem issued vouchers. LUL shall not have any liability for the failure of the Provider to provide valid accurate and timely copies of the Provider's registration certification or other notice issued to the Provider by a certifying body.
- q) Agree to be registered or approved by the relevant authority and inform the care user immediately (the parent) if there are changes to the carer registration status.
- r) Payment can only be issued to the carer nominated by the care user (parent).
- s) The carer should not accept any vouchers if their registration or approval has been suspended or removed. In the event of Linking Up not having been informed of the suspension or withdrawal the carer may be liable for the voucher value and any tax penalties that occur.
- t) Linking Up will not be liable for any expenses or costs incurred by the carer for incorrect use of the e-voucher scheme.
- u) Acknowledge that the duration of this Agreement is independent of any Agreement the Employee may have with the Child-carer.

General

7. Changes to the Scheme and Terms

- a) Administrative changes to the Linking Up voucher scheme may be made by Linking Up from time to time. The parties shall bear their own costs of implementing any administrative changes.
- b) Linking Up may at its sole discretion, change or modify these terms upon giving 45 days written notice of the same.
- c) The Employer has the right to terminate the Agreement forthwith if the amendments are unacceptable. In the event that the Employer terminates this

agreement the employee will immediately cease to be part of the Linking Up voucher scheme.

8. VAT

All monetary amounts stated under this Agreement are exclusive of any Value Added Tax, which (if chargeable) shall be paid at the rate and in the manner prescribed by law from time to time.

9. Confidentiality & Data Protection Act 2018 - GDPR

Each party shall take all the necessary steps to ensure that data or information which comes into possession by virtue of and whilst a member of the Linking Up voucher scheme is treated as confidential information and in particular shall comply with Data Protection Act 2018, GDPR, and, if appropriate, shall notify itself under that Act and process such data and information only in so far as is necessary to administer the Linking Up voucher scheme and not use it to compete or to promote its own or third party business.

10. Liability

- a) Linking Up and the Employer will use their reasonable endeavours to maintain the legitimate financial advantages of the Linking Up vouchers scheme but shall not be held liable for any loss caused by factors beyond its control, such as loss resulting from changes in legislation, actions of other Child-carers or a failure by other parties to provide accurate and timely information or a third party business.
- b) Save that nothing in this Agreement shall limit or exclude the liability of either party for death or personal injury caused by its negligence all warranties, conditions and other terms implied by statute or common law as being given by Linking Up, to the fullest extent permitted by law, excluded and Linking Up total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Linking Up vouchers scheme shall in respect of each event or series of connected events be limited to the value Linking Up vouchers purchased by the Employer in the preceding 12 months
- c) Linking Up shall not be liable for any indirect or consequential loss or damage (whether for loss of profit, loss of business, depletion of goodwill or otherwise), costs, expenses or other claims for consequential compensation whatsoever (however caused) which arise out of or in connection with the Contract.
- d) All requests for refunds of unused childcare vouchers must be in writing, and we will then consider each request in accordance with HMRC guidelines. We reserve the right to refuse a request for a refund. For clarity, refunds will not normally be agreed to if a scheme member has simply ordered more vouchers than they have been able to spend, as this would contravene HMRC guidance.
- e) If a scheme member's childcare provider refuses to accept Linking Up childcare vouchers and no payments have been made from the scheme member's account, then the scheme member may leave the scheme and the vouchers will be refunded.
- f) We reserve the right not to refund the administration charges in respect of any vouchers which have been invoiced and paid for.

11. Termination

- a) Subject to condition 11b, parties may terminate their part in this agreement by providing the other parties with 30 days' written notice.
- b) We may terminate your part in this agreement with immediate effect in the event of:
 - A material failure (in whole or in part) by you to perform any obligation.
 - Employer persistently paying invoices late.
 - Employer becoming insolvent or ceasing to be capable of paying invoices.
 - A change in employer's ownership or control which, in our opinion, will have a material impact on the administration of your scheme.
 - No employees joining the employer's scheme within 9 months of the launch of the scheme.
 - The scheme being dormant (ie there have been no voucher orders) for a period of 9 months.
 - Child-carer's registration with the appropriate authorities as a provider of childcare expires or is terminated or if they are convicted of any criminal offence (other than a road traffic offence) and in those circumstances any party may terminate this Agreement forthwith.
- c) On termination of the agreement with an employer, for any reason, we shall:
 - Close the scheme and cancel all outstanding voucher orders.
 - Provide the employer with records of all scheme members and childcare payment history within 30 days of such records being requested in writing.
 - Provide the employer with such assistance as may reasonably be required it transferring the scheme to another provider.
- d) If the employer closes the scheme or transfers to another childcare voucher provider, scheme members may continue to use any outstanding childcare vouchers. However, they will not be permitted to top-up their account balance by other means.
- e) We will continue to provide existing scheme members with access to their online account until their account has a zero balance or until they are no longer eligible to spend the vouchers.
- f) If the employer transfers the scheme to another provider, unused voucher funds will only be transferred to the new provider with the agreement of each scheme member. Employers will be responsible for obtaining each scheme member's consent. Such transfers of funds will be subject to approval and the cooperation of the new provider.
- g) We reserve the right to levy an administration charge to cover associated costs
- h) We reserve the right to close any scheme member's Linking Up Vouchers account and to cancel their voucher order if they are suspected or found to have acted fraudulently in relation to ordering or spending their childcare vouchers

12. General

- a) This Agreement contains the whole Agreement between the parties relating to the Linking Up voucher scheme and supersedes all prior Agreements, arrangements and understandings between the parties relating to the scheme.
- b) No failure or delay by parties in exercising any of the rights under these terms shall be deemed to be a waiver of that right, and no waiver by any party of any breach of these terms by another shall be considered as a waiver of any subsequent breach of the same or any other provision.
- c) No variation of the Agreement or of any of the documents referred to in it shall be valid unless it is in writing and signed by or on behalf of each of the parties.