



"Employer-sponsored childcare is a big reason I came back to work. I don't think I could have come back without it."

Workplace Nursery Parent



"The Nursery is essential for the operational effectiveness of our personnel. Day to day we need people to be able to concentrate on their work without having to stress about childcare."

**RAF Northolt** 



"Having my child close to my workplace provides me with great peace of mind while at work. The flexibility of the nursery and their understanding of how my workplace functions has helped me to gain a promotion and be flexible in my working hours."

Workplace Nursery Parent



"We've definitely seen The Children's Centre have an impact on retention of a smallish, but important group of women who, I suspect, wouldn't have stayed if they hadn't been able to manage their childcare in a way that they can here."

> Sally Boyle, International Head of Human Resources, Goldman Sachs

# The importance of Childcare for working parents and their employers

'Finding high-quality and affordable childcare is a priority for working families – and one that can directly affect career decisions. This is the pressing issue for working families in the UK where childcare costs consume an average of 30% of salary. A growing lack of affordable childcare (2,087 childcare settings closed in England in the first 3 months of 2021) is shrinking an already squeezed talent pool for employers, driving down the representation of women in leadership roles and contributing to a widening gender pay gap. Solve your people's childcare challenges and transform a potential retention challenge into a competitive advantage.

## What is a Nursery Partnership?

A Nursery Partnership enables employers to support their employees' childcare needs.

Bright Horizons operates over 300 high quality nurseries across the UK, many are close to employer workplaces. Through a Nursery Partnership, employers can offer a number of nursery places to their working parents, at one or more Bright Horizons settings, enabling them to make significant savings on the cost of care.

Working Parents can make savings of between 32% & 52% on their childcare nursery fees. This can be achieved at no cost to the employer.

### How does a Nursery Partnership work?

Through employer provision of childcare close to their workplace, employees will benefit from a full Income Tax and National Insurance exemption, saving them between **32%** and **52%** on their nursery fees. The cost to the employer of accessing and supporting the nursery is funded from savings in Employers National Insurance contributions.

#### The savings

Indicative savings for an employee that earns £35k per annum and has a two year old at a Bright Horizons nursery setting in South East England are:

Nursery	Employee	Employer
fee per	savings	savings
month	per month	per month
£1400	£448	£193.20



#### About the Nursery Exemption and HMRC

Nursery fees at Workplace Nurseries are completely exempt from tax and National Insurance Contributions, creating these significant savings for both employees and employers.

### HMRC's qualifying criteria for the Workplace Nursery Exemption require that:

- The premises for the nursery must made available by the employer alone or, if made available jointly in partnership with Bright Horizons, the employer must demonstrate ongoing involvement in managing and financing the provision.
- The nursery must comply with the registration requirements of the relevant authority.
- Places at the nursery must be available to all employees/all employees at that location.

#### Putting a Nursery Partnership in place

- Bright Horizons agrees a partnership arrangement with an employer that provides nursery provision local to one or more of their sites.
- We work with the employer to ascertain likely demand and the appropriate number of nursery spaces required by employees.
- The employer agrees to underwrite this number of nursery spaces as theirs to utilise.
- Bright Horizons supports the set-up of the salary sacrifice process that allows employees to pay their nursery fees directly from salary.
- Bright Horizons will support the communication of the benefit to employees.
- The employer contributes to the financing of the nursery (at a level that is equivalent to the savings realised in Employers National Insurance Contributions).
- This benefit is accessed through our Work + Family Space a customisable platform that offers a range of resources designed to help working parents and carers.

**O**91%

indicate that employer sponsored childcare has a positive impact on their overall wellbeing **C**91%

of respondents agree that employer sponsored childcare has a positive impact on their work productivity

**U**89%

are more likely to continue to work for their employer if they have employer-sponsored childcare ) 64%

agree that having employer sponsored childcare makes them able to pursue or accept a higher position with their employer

\* Work+Family Snapshot 2023



#### What next?

Contact us on

<u>employerenquiry@brighthorizons.com</u>

to learn more about how a Nursery Partnership might benefit your organisation and employees.

solutions.brighthorizons.co.uk



#### About Bright Horizons

#### What we do

For more than 35 years, Bright Horizons has been supporting the evolving needs of working families and their employers. We create, develop, and deliver solutions that remove barriers to performance, talent and diversity in our clients' businesses and help them succeed in their goals.

We address the wide range of challenges facing parents and carers in the workplace today, enhancing our clients' ability to attract and retain key talent, giving their teams the peace of mind and confidence to do their best work.

#### How we do it

Bright Horizons' services include workplace and partnership nurseries, coaching and development provision, digital resources, and manager guidance, plus back-up care for adults, children of all ages - and even pets.

We provide our clients with access to live usage and engagement analytics on their programmes, and also keep them updated with ongoing research findings and benchmarking data.

#### Who we are

- We have operations in the US, UK, India, Australia, and the Netherlands. 1,300 clients globally, more than 400 in the UK.
- We have been recognised as a UK Best Workplace by the Great Place to Work Institute every year since 2006, and actively committed to Diversity, Inclusion and Belonging, and to Mindful Business practices.
- We strive to minimise negative environmental impact guided by our Future Earth green agenda and, through our registered charity the Bright Horizons Foundation for Children, to make a positive difference in the lives of children and families in crisis.

#### Our family of services includes:



Reliable, flexible Back-Up Care options for children of all ages, adults and elders - and even pets - when usual arrangements break down or schedules change.

Back-Up care is a trusted Plan B that protects productivity and supports wellbeing.

One to one Virtual Tutoring in Maths and English for children (ages 4-16 years) and also school entrance exam preparation.

Tailored tutoring helps confidence and achievement, while easing parents' concerns about their child's education and mental

health.

Work+Family Space, an easily searchable hub for all matters work and family, and a vital resource for busy workers. Filled with a world of information, tips, webinars and expert advice, there's something for everyone - whatever their life stage or personal situation.

Our innovative Parental Leave
Toolkit is a digitised coaching solution
delivering timely checklists and advice
to the individual and their manager at
every point in the journey, making a
significant difference to return rates.

Beyond the parent transition, we've developed tailored coaching programmes for our clients on many major life events. Workplace Nurseries and Nursery Partnerships provide parents with reassuringly high-quality and convenient care at, or near, their workplace. The ultimate "sticky benefit" and a real game-changer for

Get in touch to discover how we can help your business and your employees:

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