

## Salary Sacrifice Schemes – Eligibility checklist for the application of these schemes at North Yorkshire County Council

Ensure employees monthly salary sacrifice deductions remain above [NMW](#).

The updated rate from April 2018 is

- Rises from £7.50 an hour to £7.83ph from April in 2018 for those aged 25+
  - increase the rate for 21 to 24 year olds from £7.05 to £7.38 per hour
  - increase the rate for 18 to 20 year olds from £5.60 to £5.90 per hour
  - increase the rate for 16 to 17 year olds from £4.05 to £4.20 per hour

Note re NMW: If an employee's contractual circumstances change or national minimum wage levels increase that any amounts above the national minimum wage threshold will be deducted from my Net pay.

Employee must have an established/permanent substantive contract lasting for the duration of the scheme.

Employee must not be in a current disciplinary situation

Employee must not be potentially at risk of redundancy at the time of the order, subject to review where it is liable to reduce numbers in the team, section or unit **within the next 12 months**

**Scheme summary – as applied at NYCC** (each organisation would set their own scheme parameters through Call Off Agreement from the Framework):

Scheme	Green car	Cycle to work	Home technology	Childcare vouchers
Duration	2 or 3 years	12 months	1 or 2 years	Indefinite
Limit for order	Max 2 cars within NMW	1 per year to max value of £1,500 within NMW	If over 1 year = £200pm If over 2 years = £150pm within NMW	£243 max pm within NMW
Eligible for NJC	Yes	Yes	Yes	Yes
Eligible for Teachers	No	Yes	No	Yes

### Maternity/shared parental leave/long term sickness absence:

Salary sacrifice affects an employee's maternity pay calculation. If an employee is participating in a salary sacrifice scheme and is going on maternity leave, in order to remain compliant with deductions from salary rules during periods of SMP, if they do not want to remove the benefit, they will need to [sign an agreement](#) to identify whether they wish to continue and repay amounts owing on their return to work or terminate their agreement and repay any amounts owing before their maternity leave commences.

**Each organisation are recommended to seek their own tax advice and set their own policy in regards to this.**

General notes:

- If the employee is younger than 21 check to see if they will still be above the NMW threshold upon their 21st birthday.
- Casual/relief staff are not eligible
- Managers are asked to consider both the employees current and future employment situation and make a decision whether the employee can commit to the relevant number of years on the salary sacrifice scheme. Managers are not recommended to approve salary sacrifice for employee's who are in disciplinary, capability, attendance or restructure processes where their future employment is at risk.
- Managers are asked to inform Employment Support Services if there are any changes to the employees working arrangements including long term sickness absence and maternity/paternity