

ARS □ CSREES □ ERS □ NASS

Bulletin

Title: REE Child Care Tuition Assistance Program

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Originating Office: REE Services Branch, Work/Life Programs
Human Resources Division

Distribution: All ARS, ERS, and CSREES Employees

This bulletin provides the REE policy and procedures to apply for child care tuition assistance.

1. Background

Enacted November 12, 2001, Section 630 of Public Law 107-67 authorizes the use of appropriated funds by Executive agencies to provide child care services for Federal civilian employees.

The program is intended to provide an incentive for the use of safe and reliable day care, and thus improve employee productivity and morale.

2. Policy

This REE Bulletin allows ARS, CSREES and ERS employees who meet the specific eligibility criteria included in this Bulletin to apply for the REE Child Care Tuition Assistance Program. This entitlement is based on the availability of funds each fiscal year.

3. References

- Office of Personnel Management Guide for Implementing the Child Care Legislation dated March 2000
- DR-4080-811-01, USDA Child Care Tuition Assistance Program
- Benefits Administration Letter 03-803, Dependent Care Flexible Spending Accounts and Other Child Care Subsidies

4. Eligibility and Benefit Schedule

All ARS, CSREES, and ERS employees who meet the criteria below and have an eligible child(ren) will be eligible to receive child care tuition assistance. An employee must:

- be permanent, or temporary with an appointment of at least one year, and work a full-time or part-time schedule. **Excluded** from this program are temporary employees with a not-to-exceed date (NTE) of **less than one year**, intermittent employees and contractors.
- have a combined family income of **less** than \$60,000 per year.
- have a child(ren) enrolled in a Qualifying Day Care Center or with a Qualifying Provider that is licensed to provide day care services in the state or location in which they operate. (See DR-4080-811-01, page A-3, for definitions of qualifying centers and/or providers at <http://www.ocio.usda.gov/directives/files/dr/DR4080-811-01.pdf>)

4a. Benefits Schedule

The chart below highlights how the amount of benefits will be determined for eligible employees.

If the Employee's Total Family Income is*.....	Then the Agency will pay this Percentage of Actual Child Care Costs**	Monthly Subsidy per Family Not to Exceed***
Less than \$39,000	50%	\$500.00
\$39,000 - \$51,000	30%	\$300.00
\$51,001 - \$59,999	20%	\$200.00

* Total Family Income refers to Adjusted Gross Income for the Tax Year.

** The benefit will be reduced by the amount of other state or local child care subsidies employees receive (see Appendix 1, Frequently Asked Questions).

*** Monthly subsidy amounts apply to the total, monthly costs of child care, not cost per child.

4b. Qualifying Children

Qualifying children are members of the household maintained by the eligible REE employee who bears the following relationship to the employee:

- (a) A biological child who lives with the employee;
- (b) An adopted child;
- (c) A stepchild;
- (d) A foster child;
- (e) A child for whom a judicial determination of support has been obtained; or
- (f) A child to whose support is provided by the eligible REE employee via regular and substantial contributions. The employee must be the parent or legal guardian.

5. Employee Notification

Upon initial implementation of the program, current employees will be notified via e-mail and/or by posting of notices on bulletin boards, tent cards, etc. of the complete instructions on how to apply, eligibility, etc.

Thereafter, employees will be reminded at the beginning of each fiscal year and information will be posted on the Web site at www.afm.ars.usda.gov/hrd/worklife. Newly hired employees will be notified of the program via new employee orientations and annual workshops.

6. Application Procedures

Employees who wish to apply for the REE Child Care Tuition Assistance Program must complete and submit the following forms and/or documentation.

- OPM Form 1643
- OPM Form 1644 (disregard Section IV)
- Latest SF-50, Notification of Personnel Action
- Leave and Earnings Statement for the last two pay periods of applying for benefits
- A copy of their most recent Federal and State income tax returns (annual submission required)
- A copy of their child care provider's most recent license compliance with State and/or local child care regulations

Forms may be downloaded at www.afm.ars.usda.gov/hrd/worklife and/or www.opm.gov/forms.

Upon completion, all documents **must be mailed** to:

FEEA/USDA/REE
8441 W. Bowles Avenue, Suite 200
Littleton, CO 80123-9501

Applications received and postmarked before the end of the month will be granted retroactive benefits to the beginning of the month in which the application is received.

7. Program Administrator

Federal Employees Education & Assistance Fund
Steve Bauer, Executive Director
Vicki Eros, Childcare Coordinator
8441 W. Bowles Avenue, Suite 200
Littleton, CO 80123-9501
Toll Free: 1-800-323-4140
Fax: 303-933-7587
E-mail: feeachildcare@aol.com

8. Reviewing Official

Vicki Eros, Childcare Coordinator
Toll Free: 1-800-323-4140
feeachildcare@aol.com

REE CCTAP Frequently Asked Questions

(a) Who will administer the program?

The Federal Employee Education and Assistance Fund (FEEA) will administer the program. They will be responsible for receiving applications, checking for accuracy, disbursing checks to providers, maintaining all records and pertinent documentation for disbursing subsidies, including denied claims.

(b) What if I have questions?

For general questions about eligibility and to receive the required forms, you may contact Tonya B. Morris, REE CCTAP Program Manager on 301-504-1489. If you have specific questions about your application or payment of benefits to your child care provider, contact FEEA at feeachildcare@aol.com or by calling toll-free, 1-800-323-4140.

(c) How long will I receive child care tuition assistance?

Generally, until you no longer meet the eligibility requirements. However, the program could terminate due to lack of funding.

(d) How are tuition assistance benefits disbursed?

Each month, FEEA will send an invoice authorization form directly to your designated child care provider. Both you and your licensed child care provider must certify on the form that the child care services were delivered to your child. The child care provider then returns the completed invoice authorization to FEEA who then sends the payment directly to the child care provider. *Payments are never made to the employee.*

(e) How does this tuition assistance interact with other child care subsidies?

Some lower income employees are eligible to receive other state or local subsidies for child care. In this situation, your REE tuition assistance may be reduced based on **your** actual child care fee, minus what the state provides to you.

For example: John Doe is a single father with a total family income of \$26,500. He has one child in licensed day care at the cost of \$480 per month. The state he lives in provides him with an \$80 per month child care subsidy ($\$480 - \$80 = \$400$). John will be eligible to receive a Federal subsidy of \$200 per month (50% of \$400). John will pay \$200 monthly and the child care provider will receive a monthly check for \$200 from FEEA.

(f) What are the tax implications for receiving tuition assistance?

The tax laws regarding child care credits and subsidies are complicated. You should be aware that there are tax consequences to receiving assistance greater than \$2,500 per year (if married, filing separately) or \$5,000 per year (if filing as a married couple, single, or head of household). Also, the assistance you receive for a child who does not meet the Internal Revenue Service's definition of a dependent will be treated as taxable income (See item 4b. Qualifying Children) **Please consult your tax advisor if you have additional questions or concerns.**

(g) How does the REE Child Care Tuition Assistance Program interact with Dependent Care Flexible Spending Accounts?

In accordance with Section 129 of the Internal Revenue Code, an employee may exclude from gross income, up to \$5,000 or \$2,500 of benefits received under a Child Care Tuition Assistance Program (See question (f) above). This amount also includes any pre-tax dollars that are deposited into a Dependent Care Flexible Spending Account.

For example: Jane Doe is eligible to exclude \$5,000 from her gross income and receives \$4,000 per year from the REE Child Care Tuition Assistance Program. She would only be able to contribute \$1,000 into a Flexible Spending Account. Any amount exceeding \$5,000 will be shown in Box 1, 2, and 5, as "wages", "social security wages", and "Medicare wages."

(h) What if both parents are Federal employees?

Tuition assistance can only be awarded by one Federal Agency. If both parents work for the same Federal Agency, only one parent may apply.

(i) What if my application for child care subsidy is denied?

If a claim is wholly or partially denied, notice of the decision will normally be furnished to the participant and to the qualifying provider within 30 days of applying for benefits. Depending on the complexity of the denial, notification may go beyond 30 days, not-to-exceed 90 days.

The denial notification will include:

- (a) The specific reasons(s) for the denial;
- (b) a description of any additional information necessary to make a decision; and
- (c) an explanation of the program's claims review procedures.

(j) What is the claims review procedure?

If a claim is denied, the participant may request in writing that the REE CCTAP Program Manager review the claim. The REE CCTAP Program Manager will review the decision, coordinate with FEEA and respond to the employee within 60 days of receipt of the written request.

If the REE CCTAP Program Manager affirms the original denial, the employee may invoke the applicable grievance procedure currently in effect for bargaining unit employees and/or non-bargaining employees. Please contact the Employee Relations Branch on 301-504-1355 for additional information.