

ARS ■ CSREES ■ ERS ■ NASS

Bulletin

Title: REE Child Care Tuition Assistance Program

Number: 08-403

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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 (CCTAP). *This benefit 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) may receive child care tuition assistance. An employee must:

- Be permanent or temporary with an appointment which lasts more than one year. Both full-time and part-time employees are eligible. **Excluded** from this program are intermittent employees, contractors, and temporary employees with a not-to-exceed date (NTE) of **less than one year**. Employees in this last category whose appointments are extended may apply upon the one-year extension.
- Have a combined adjusted gross income (AGI) of **less** than \$60,000 per year.
- Have a child(ren) enrolled in a Qualifying Day Care Center or with a Qualifying Provider (See 4c on page 3 for a definition) that is licensed to provide day care services in the state or location in which they operate.

4a. Benefits Schedule

The chart below describes how benefits will be determined for eligible employees.

If the employee's total family Adjusted Gross Income (AGI) is:*	then the Agency will pay this percentage of actual child Care costs.**	The <u>maximum</u> monthly subsidy provided per family is: ***
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 children age 13 and under or disabled children through the age of 18. Children must be members of the household maintained by the eligible REE employee and bear 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 whose support is provided by the eligible REE employee via regular and substantial contributions. The employee must be the parent or legal guardian.

4c. Qualifying Daycare Center/Provider

Qualifying daycare centers/providers are those that are licensed and/or regulated by the State and, where applicable, by local authorities where the child care services are being delivered. Care may be home or center-based. Summer programs as well as before and after care school programs are included.

5. Employee Notification

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;
- Latest SF-50, Notification of Personnel Action;
Note: Temporary employees who are on an appointment of less than one-year and are granted an extension beyond 30 days must provide both the “less than one year” SF-50 AND the SF-50 granting the extension. There should be no break-in-service in order to be eligible for the REE CCTAP.
- Leave and Earnings Statement for the last two pay periods prior to applying for benefits;
- A copy of their latest Federal income tax return (annual submission is required for continued enrollment); and
- A copy of their child care provider’s current license complying with State and/or local child care regulations.

OPM Forms 1643 and 1644 may be found on E-Forms or at the web site below:
<http://www.afm.ars.usda.gov/hrd/worklife/CCTAP.htm>

Upon completion, all documents must be mailed (**no fax copies accepted**) to:

EP-Data Center
REE-CCTAP
P.O. Box 7557
Champaign, IL 61826

Subsidies will start at the beginning of the month AFTER the completed application is received by EP-Data Center.

IMPORTANT: Employees are responsible for full payment to their child care providers until subsidies begin. Employees are also responsible for required payments in the event Federal agency funds are unavailable due to a Continuing Resolution or any other interruption of funding.

7. REE CCTAP Contractor

EP-Data Center
P.O. Box 7557
Champaign, IL 68126
Toll Free: 1-877-269-2128 (Central Standard Time)
Fax: 217-398-9732
E-mail: info@ree-cctap.org
Web site: <http://www.ree-cctap.org>

8. REE CCTAP Coordinator(s)

EP-Data Center
Donna Greene, Executive Director
Jennifer Greene, Child Care Coordinator
P.O. Box 7557
Champaign, IL 68126
Toll Free: 1-877-269-2128 (Central Standard Time)
Fax: 217-398-9732
E-mail: info@ree-cctap.org
Web site: <http://www.ree-cctap.org>

9. REE CCTAP Program Manager

Tonya B. Morris
USDA/ARS/HRD/REE Services Branch
5601 Sunnyside Avenue
Beltsville, MD 20705-5107
Office: 301-504-1489 (Eastern Standard Time)
Fax: 301-504-1456
E-mail: tonya.morris@ars.usda.gov

10. Appeals Process

If a claim for child care tuition assistance is wholly or partially denied, notice of the decision will normally be furnished to the employee 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.

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 EP-Data Center 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.

11. Signature of Approval

_____/s/_____
David F. Love
Director, Human Resources Division

1/30/2009
Date

REE CCTAP Frequently Asked Questions

(a) Who will administer the program?

EP-Data Center will administer the program. They will be responsible for receiving applications, checking for accuracy, disbursing payments to providers, and maintaining all records and pertinent documentation for disbursing subsidies, including denied claims.

(b) What if I have questions?

For general questions about the program, you may contact Tonya B. Morris, REE CCTAP Program Manager on 301-504-1489 (EST).

If you have specific questions about your application or payment of benefits to your child care provider, please contact EP-Data Center on 1-877-269-2128 (CST) or by e-mail at info@ree-cctap.org.

(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?

Payments are disbursed from EP-Data Center directly to your designated child care provider. Both you and your licensed child care provider must certify monthly by signing the REE CCTAP Monthly Certification Form that the child care services were delivered to your child. You or your child care provider then returns the completed certification form to EP-Data Center who then issues the payment directly to the child care provider. The REE CCTAP Monthly Certification Form may be downloaded at <http://www.ree-cctap.org>.

Note: Payments are never made directly 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 EP-Data Center.

(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 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 EP-Data Center 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.