



POLICY STATEMENT

Policy Statement 213.1

Policy Area: Human Resources

Effective Date: **MAR 21 2012**

Approved: *Nancy M. Ware*
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CHILD CARE SUBSIDY PROGRAM

I. COVERAGE

This Policy Statement applies to all employees of the Court Services and Offender Supervision Agency for the District of Columbia (CSOSA) (hereinafter, “the Agency”), excluding the Pretrial Services Agency.

II. BACKGROUND

Public Law 107-67, Section 630, enacted on November 12, 2001, authorizes Federal agencies to use appropriated funds to assist their lower-income employees with the cost of child care. Child care subsidy assistance can reduce the amount that parents pay for child care by providing approved and available subsidies directly to child care providers. This program is intended to improve employee morale and assist with employee retention and recruitment efforts.

III. POLICY

CSOSA provides assistance for eligible employees by providing a child care subsidy, reducing the net cost to the employee for certain qualified child care expenses. Participation in the program is subject to employee applicants and child care providers meeting CSOSA eligibility criteria outlined in this Policy Statement and the availability of funds. Parents who provide child care services for their own child(ren) as defined in Appendix A of this Policy Statement are not considered to be qualified providers under the CSOSA Child Care Subsidy Program.

To qualify for the subsidy, the applicant must:

1. be a CSOSA employee (part-time employees are eligible);
2. have a Total Family Income (TFI) not to exceed an adjusted gross income of \$81,999;
3. have a child or children age thirteen (13) or younger or a disabled child or children age eighteen (18) or younger; and
4. place an eligible child or children in a licensed day care, home care, after-care, or before care programs.

The subsidy can be used with any child care provider licensed and/or regulated by state and/or local authorities where the child care service is delivered.

Employees who wish to receive child care subsidy benefits must apply for the benefit by submitting a Child Care Subsidy Application Form (Appendix D), which is also available on the CSOSA Intranet. Once the Contractor reviews the application, the Child Care Subsidy Program Contractor (hereafter called “the Contractor”) will make an eligibility determination and notify the employee by issuance of an award letter. Services performed at a camp where the qualifying child stays overnight are not included. The chart below shows the current percentage of the total child care costs that CSOSA will pay based on the employee’s total family income.

Total Family Income (TFI)	Percentage of CSOSA paid subsidy
\$ 37,999 or less	55%
\$ 38,000 – 47,999	45%
\$ 48,000 – 57,999	35%
\$ 58,000 – 67,999	25%
\$ 68,000 – 81,999	15%
\$ 82,000 or higher	0%

Child Care Subsidy benefits are available on a first come, first served basis up to the maximum amount allocated to the program by CSOSA. It is possible that an employee may be eligible for the benefit, but not receive the benefit due to lack of funds at that time. If this happens, affected employees will be placed on a waiting list. Child care subsidy benefits will be paid directly to the provider by the Contractor.

The tax laws regarding child care credits and subsidies are complicated. Employees should be aware that there will be tax consequences to receiving a child care subsidy of greater than \$2,500 per year (if married, filing separately) or \$5,000 per year (if married, filing jointly; single; or head of household). The child care subsidy received for a child who does not meet the Internal Revenue Service's definition of a dependent will be treated as taxable income. Employees may use a Dependent Care Flexible Spending Account to set aside up to \$5,000 deducted from the salary before taxes to pay for eligible dependent care expenses, including child care. This \$5,000 threshold includes any child care subsidy that the employee receives. The employee is responsible for determining his/her income tax situation.

IV. AUTHORITIES, SUPERSEDURES, REFERENCES, AND ATTACHMENTS

A. Authorities

Public Law 106-58, Treasury and General Government Appropriations Act, 2000, Section 643, September 29, 1999.

Public Law 107-67, Treasury and General Government Appropriations Act, 2002, Section 630, November 12, 2001.

5 C.F.R., Part 792, Federal Employees' Health and Counseling Programs.

White House Memo, dated June 2, 2010

Office of Personnel Management Memo, dated June 2, 2010

B. Policy Supersedures

None

C. Procedural and Other References

Office of Personnel Management Guide for Implementing the Child Care Legislation dated March 2000.

26 United States Code (U.S.C.) 129, Dependent Care Assistance Programs.

Collective Bargaining Agreement Between CSOSA and AFGE Local 727.

HR Directive 771.1, Conflict Resolution Procedure, dated 2/26/01.

D. Attachments

Appendix A – Definitions

Appendix B – Responsibilities

Appendix C – General Procedures

Appendix D – Child Care Subsidy Application Form, OPM-1643

Appendix E – Child Care Provider Information Form for the Child Care Subsidy Program for Federal Employees, OPM-1644

Appendix A
Definitions

A. **Applicant** – A full-time or part-time employee of CSOSA.

B. **Child** -

1. A biological child who lives with a CSOSA employee;
2. An adopted child who lives with a CSOSA employee;
3. A stepchild who lives with a CSOSA employee;
4. A foster child who lives with a CSOSA employee;
5. A child for whom a judicial determination of support has been obtained; or
6. A child to whose support a CSOSA employee, who is a parent or legal guardian, makes regular and substantial contributions.

C. **Child with Disabilities** - A child who is unable to care for himself or herself based on a physical or mental incapacity as determined by a physician or licensed or certified psychologist.

D. **Domestic Partner** – A committed relationship between two adults, of the same sex, in which the partners:

1. are each other's sole domestic partner and intend to remain so indefinitely;
2. maintain a common residence, and intend to continue to do so (or would maintain a common residence but for an assignment abroad or other employment-related financial, or similar obstacle);
3. are at least 18 years of age and mentally competent to consent to contract;
4. share responsibility for a significant measure of each other's financial obligations;
5. are not married or joined in a civil union to anyone else;
6. are not the domestic partner of anyone else;
7. are not related in a way that, if they were of opposite sex, would prohibit legal marriage in the U.S. jurisdiction in which they reside;
8. are willing to certify, if required by the agency, that they understand that willful falsification of any documentation required to establish that an individual is in a domestic partnership may lead to disciplinary action and the recovery of the cost of benefits received related to such falsification, as well as constitute a criminal

violation under 18 U.S.C. 1001, and that the method for securing such certification, if required, shall be determined by the agency; and

9. are willing to promptly disclose, if required by the agency, any dissolution or material change in the status of the domestic partnership.

E. Eligible Child Care Expenses - Expenses incurred by an employee for qualifying services which are paid to a qualifying provider who is not the employee, the spouse of the employee, a dependent of the employee, or a dependent of the spouse of the employee.

F. Employee - All full-time and part-time CSOSA employees. Contractors are not considered employees.

G. Lower-Income Employee - Employee whose total family income (TFI) falls within the lower income criteria established by CSOSA to qualify for child care subsidy.

H. Program Manager - The official designated by CSOSA with the responsibility for program management, Contracting Officer Technical Representative (COTR) duties, and for ensuring that the CSOSA Child Care Subsidy Program complies with the Office of Personnel Management (OPM) regulations and CSOSA Policy. The CSOSA Child Care Subsidy Program Manager (CCSPM) within the Office of Human Resources serves in this role.

I. Program Year - The 12-month period beginning on June 1 and ending on May 31.

J. Qualified Provider - An eligible organization or individual providing child care services under contract in a center-based child care or family child care home providing any of the following:

1. All-day care;
2. Before and after school care;
3. Before school care; or
4. After school care.

K. Qualifying Child - Child(ren) of an employee, from birth through the age of 13 or child(ren) with disabilities through the age of 18.

L. Spouse - The husband or wife of an employee. A married couple who is legally separated is still considered to be married.

M. Total Family Income - The employee's (and spouse's, or Domestic partner if applicable) adjusted gross income reported to the Internal Revenue Service Form 1040 or 1040A for the latest tax year.

Appendix B

Responsibilities

- A. The Office of Human Resources (OHR), Associate Director, is responsible for overall management of this program.
- B. The Office of Human Resources (OHR), Assistant Director for Human Capital Planning and Development is the CSOSA Child Care Subsidy Program Manager (CCSPM). The CCSPM has responsibility for:
1. managing the CSOSA Child Care Subsidy Program;
 2. serving as the Contracting Officer's Technical Representative (COTR);
 3. issuing and updating the child care subsidy program policy;
 4. reporting to the Office of Personnel Management;
 5. resolving disputes regarding the subsidy;
 6. granting or denying employee appeals of the Contractor's disapproval of an employee's application to participate in the Child Care Subsidy Program;
 7. developing and justifying annual funding requests for the program and tracking actual use of approved funds;
 8. evaluating the program, ensuring that contractual activities, including the performance of periodic audits of CSOSA child care subsidy expenditures, are performed in a manner consistent with governing laws and CSOSA Policy.
- C. The CCSPM must have certification as a COTR to manage this program. OHR will provide each participant a statement of the amount of benefits received by the participant during the program year. This statement will be furnished to the participant by January 31st following the end of the program year. The amount of child care assistance provided to the employee will be reported on the employee's Form W-2.
- D. Management and Administration (M&A) has the responsibility, in coordination with the Office of Human Resources, for contracting out the operational administration of the program to an outside organization. M&A will issue COTR-approved payments to the designated Contractor for further distribution by the Contractor to approved child care providers.
- E. Office of Legislative, Intergovernmental and Public Affairs (OLIPA) must notify Congress and OPM of the intent to initiate a Child Care Subsidy Program. Specifically, it must provide an annual notice to the Financial Services and General Government Subcommittees in the House and Senate, and to its appropriations subcommittees prior to the obligation of funds. The Agency must give notice to these Congressional committees annually, and funds may be obligated immediately after the Agency has made these notifications.

F. The Contractor will ensure that all actions are performed in accordance with the terms specified in the contract.

G. Employees receiving Child Care Subsidy benefits are responsible for:

1. reporting accurate information on all forms and for submitting a complete and accurate initial application package to the Office of Human Resources (OHR);
2. reporting any changes, such as additional income, marriage or divorce directly to the Contractor;
3. recertifying each year in order to remain in the program; and
4. timely submission of invoices for payment.

Appendix C

General Procedures

A. Enrollment Period

CSOSA's Child Care Subsidy Program will operate on an open enrollment basis. This means that employees may submit the application at any time during the year.

B. Application Process

Application forms for the Agency's Child Care Subsidy Program are located on the CSOSA Intranet. Application forms must include information about the employee, participating child(ren) and the licensed child care provider. The child care provider must also complete certain application information to be registered as the designated child care provider. Steps for completing and submitting application packages are as follows:

1. OHR will inform all Agency employees of the requirements for submitting a complete application package and where information may be obtained for submitting the required forms and supporting documentation.
2. The Contractor will verify that the documentation is complete and that all required forms and documents have been provided. The Contractor will review the properly completed application package for eligibility determination and notify the employee and CCSPM of the determination. The Contractor will retain a copy of the complete application package in a secure environment.
3. If the application is disapproved, the Contractor will notify the employee and CCSPM of the reason(s) for disapproval and provide the employee with the opportunity to provide supplemental information for reconsideration. The Contractor will also inform the employee of his or her right to appeal the disapproval. If the application is incomplete and/or additional information is needed, the Contractor will contact the employee directly to obtain any missing and/or additional information.

C. Changes to Applications on File

Information contained on application forms and documentation must be current at all times. Employees must provide updated forms and documentation to the Contractor within five (5) business days of any change to the information on the forms or supporting documentation on file. Examples of changes that must be reported are outlined in Section E of this Appendix (Employee Participation).

D. Eligibility

CSOSA employees whose TFI exceeds the CSOSA threshold are not eligible to participate in the program. A childcare subsidy cannot be received by more than one Federal agency for the same child. When more than one parent works for the Federal government, only one parent may receive a Federal childcare subsidy for a given child.

E. Employee Participation

Participation in the CSOSA Child Care Subsidy Program is voluntary, open to employees regardless of marital status, and open to employees in domestic partnerships. Participation shall be in effect from the time the employee is notified in writing by the Contractor that he or she has been approved to participate in the program for the entire program year or until one of the following occurs:

1. The child(ren) is no longer enrolled in childcare;
2. The employee or Spouse/ Domestic Partner is no longer employed by CSOSA;
3. The employee no longer qualifies as a lower-income employee;
4. The employee does not submit an invoice to the Contractor for two consecutive months;
5. The child no longer meets the qualification criteria;
6. The childcare provider is no longer licensed and the employee has not reported a change in the child care provider to another licensed provider; or
7. CSOSA no longer administers the Child Care Subsidy Program.

F. Annual Recertification

Each year, participants in the CSOSA Child Care Subsidy Program must recertify by the designated date. Failure to do so will result in disenrollment from the program. Employees disenrolled from the program due to failure to recertify will be notified by the Contractor and must reapply by submitting a complete initial application in order to receive future child care subsidy benefits.

1. Employees will not be reinstated retroactively but may be reinstated. Employees must recertify annually and submit the following documents in their annual recertification package:
 - a. A signed and dated copy of most recent Federal income tax return(s);

- b. A copy of the two (2) most recent Earnings and Leave (E&L) Statements;
2. The Contractor will receive employee applications for enrollment from employees desiring to participate in the Child Care Subsidy Program and will evaluate applications to determine employee eligibility.
3. If the employee is eligible to participate in the program, the Contractor will take the steps necessary to facilitate appropriate payments, including notifying the employee if the application has been approved.
4. If the application is disapproved, the Contractor will notify the employee of the reason(s) for disapproval and provide the employee with the opportunity to provide supplemental information for reconsideration.
5. If the application is incomplete and/or additional information is needed, the Contractor will contact the employee directly to obtain any missing and/or incomplete information. The employee must provide missing and or incomplete information as specified and required by the policy, and within a reasonable time frame. If the employee does so, he or she will be deemed eligible to participate for the designated recertification period.

G. Processing of the Approved Monthly Subsidy to the Child Care Provider

1. At the end of each month, the Contractor will send an invoice authorization form directly to the employee's designated child care provider. To receive the approved monthly benefit, both the employee and the licensed child care provider must certify on the form that child care services were delivered to the qualified child for the given month (or other period of services within the month).
2. The child care provider must return the properly completed invoice authorization form to the Contractor, who will promptly reimburse the child care provider for the amount of the Agency-approved benefit. Each employee is responsible for ensuring that the invoice authorization form is returned to the Contractor within required timeframes and for paying the child care provider the remainder of the monthly child care costs due to the child care provider.
3. The Contractor will submit monthly invoices to CSOSA for all subsidy amounts paid to childcare providers plus an administrative fee.
4. CSOSA will reimburse the Contractor based on COTR-approved invoiced amounts based on payment terms identified in the contract.

H. Automatic Disenrollment from the Program

If an employee or childcare provider does not certify an invoice for payment to the Contractor for two consecutive months, the employee will be automatically disenrolled from the program by the Contractor. The Contractor will issue a letter to the employee and CCSPM within the contracted time frame after the submission deadline of the second consecutive month for which no invoice has been received, stating that he or she has been disenrolled from the program.

Employees who are automatically disenrolled from the program must reapply in order to be reinstated in the program. Requests for reinstatement must be in writing, provide the month for which reinstatement is requested, include necessary updated forms and/or supporting documents, and be signed and dated by the employee. The Contractor will evaluate reinstatement requests and notify the employee if the request is approved, disapproved, or if additional information is needed within the contracted time frame.

I. Voluntary Withdrawal From the Child Care Subsidy Program

Employees may withdraw from the program at any time by submitting a withdrawal request in writing to the Contractor. Employees who have voluntarily withdrawn from the program must submit a complete application package to reapply for the program.

J. Actions Based on Denial of Child Care Subsidy

Employees who are denied Child Care Subsidy may submit a grievance through the Negotiated Grievance Procedure or through the Conflict Resolution Procedure, as applicable, or use any other appropriate statutory appeal.