

Child Care Tuition Assistance Toolbox for Parents

Updated May 2023

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The Federal Government supports employee engagement in the community and home in a variety of ways, in order to foster a workforce that best meets the needs of the American public. As the nation's largest employer, by supporting Federal employees in balancing the responsibilities of work, family, and community, we also help create healthy communities for all citizens.

Dependent care programs and policies vary according to agency. Therefore, if you are looking for support with your dependent care needs, whether that be an adult dependent, a child or an elder, reach out to your agency's work-life or dependent care coordinator. They will be able to connect you with valuable resources that will help you to effectively integrate your work responsibilities with those of your dependents. Examples of such resources often include childcare subsidies for lower income families, resource guides for finding quality childcare, worksite lactation support for new and expectant parents, and webinars and lunch and learns that educate employees on the navigating the path of caring for aging parents or relatives with special needs.

Federal agencies, at their own discretion, can now use appropriated funds, including revolving funds otherwise available for salaries, to assist lower income employees with the costs of child care. This Child Care Subsidy Program applies to employees whose children are under the age of 13, or disabled and under the age of 18, and are enrolled, or will be enrolled, in licensed family child care homes or center-based child care. The child care must be licensed and/or regulated by State and/or local authorities.

With the passage of Public Law 107-67 in 2001 authority was made permanent for the use of appropriated funds by executive agencies to provide child care tuition assistance for lower income federal civilian employees. Each agency sets its own standards and program. OPM has issued regulations on the law's implementation. While the majority of agencies have not yet instituted this program for their employees, federal parents should check with their agency to determine if they have this program. Go to OPM's website for more information on child care subsidies for Federal employees:
<https://www.opm.gov/policy-dataoversight/worklife/dependent-care/#url=Child-Care-Subsidy>

OPM issued final regulations effective March 24, 2003 on implementing the Child Care Subsidy Program legislation, entitled "[Agency Use of Appropriated Funds for Child Care Costs for Lower Income Employees](#)." In accordance with the child care legislation, 40 USC 590 (g), enacted on November 12, 2001, executive agencies may use any appropriated funds, including revolving funds that are ordinarily used for salaries and expenses to assist lower income employees with the costs of childcare. The law and

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regulations allow maximum flexibility in interpreting the definition of “lower income Federal employee” provided the intent of the law specifying “lower income” is respected.

OPM maintains a chart of participating agencies, points of contact for the Child Care Subsidy Program, and current income ceiling here: <https://www.opm.gov/policy-data-oversight/worklife/dependent-care/#url=Child-Care-Subsidy>.

See also [OPM GUIDE FOR IMPLEMENTING CHILD CARE LEGISLATION](#)

If you have any updates to this information, please contact worklife@opm.gov

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Current agencies in the building/ vicinity of the child care center that offer employee subsidies. Please include agencies you historically serve at your program.



Child Care Tuition Assistance Tool # 2
Child Care Board Tuition Assistance Programs

May 2023

Since the federal subsidy provided by free space and equipment is not enough to provide for both high quality programs *and* subsidized low tuition costs for parents, GSA has focused our space subsidy on improved quality and tasked the Child Care Center Boards for GSA child care centers to provide fundraising for tuition assistance, not only to keep child care affordable, but also so child care can be offered to federal employees in lower GS positions.

Knowing the cost of high-quality care is too high for many families to pay, the Nonprofit Child Care Center Boards should assume the responsibility for fundraising and tuition assistance programs. Active fundraising is a significant component of a Board's responsibility to insure equitable salaries for staff and tuition subsidies for lower graded federal employees.

A major emphasis in child care programs for children of Federal families is to provide care for employees from all grade levels. Equity can be addressed through active fundraising and tuition assistance programs. Most fundraising efforts, in fact, should be targeted for the tuition assistance program. Tuition assistance is generally offered as a partial reduction in tuition fees. The amount of the reduction will depend on monies available as well as the financial situation of the individual family who applies. Fundraising for the tuition assistance program is conducted by the Board of Directors. It is imperative that the program is well-publicized throughout the agency or agencies and potential applicants know how and where to make application.

Providing tuition assistance to a sizable number of Federal families should be a goal for every federal child care center. A minimum of 5% of the gross operating budget is suggested. Tuition assistance programs help to maintain quality centers through quality staffing while, at the same time, insuring accessibility to all families.

The primary reason for raising funds beyond those needed for the administrative functioning of the Board itself is to support a tuition assistance program. The need for a tuition assistance program is addressed in the Special Conditions to the Licensing Agreement the center signs with GSA to occupy federal space. The Special Conditions address the need for "a tuition assistance program for families in economic need shall be established through a nonprofit organization." The Federal Government is committed to providing employees the opportunity and access to child care services in GSA controlled space. The Nonprofit Board of Directors, after qualifying for tax-exempt status is the organization most suitable for establishing and administering the tuition assistance program. Tuition assistance funds raised by the Board should be kept in a separate account and not be comingled with center operating funds. While other groups may raise additional funds for tuition assistance purposes, it is the ultimate responsibility

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of the Board to ensure that a tuition assistance program exists. There are several restrictions on generating and conducting fundraising activities, which the Boards must follow during the process.

Since not all GSA child care centers have Boards, another parent organization with non-profit status can also create the same type of tuition assistance program. If you need help creating these programs, or to find out about an existing tuition assistance program, please contact the Board or Parent Group or the GSA Child Care Program Manager for your center.

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Contact information (Name, Phone Number and E-Mail Address) for:

Board or Parent Group Contact for Center Tuition Assistance Program

GSA Child Care Program Manager



State Child Care Assistance

Each state receives funds from the federal government for their state's child care fee assistance program. Your state may refer to this program as vouchers, fee assistance, subsidy, or a specific program name. These programs assist low-income families with paying for child care so that they can work or attend school. Eligibility requirements vary by state.

If you are thinking about applying for subsidy, visit your state's child care assistance website. You may be able to check your eligibility before you even apply. It may also be possible to apply for the program online, read about how the program works, and learn about who is eligible. You can find your state's child care subsidy website at <http://childcareaware.org/state/> or on the Child Care Aware [State by State Resource Map](#). Once you're on the map, click on your state. You'll find Child Care Assistance under the Financial Assistance category. Federal families at the very lowest grade levels may also qualify for local community vouchers. These programs are usually administered at the county level so contact your county to determine your eligibility.

In some States, families can apply by telephone or mail. In many communities there also are child care resource and referral agencies that can provide information about how to apply for child care assistance. A list of child care resource and referral agencies is available from Child Care Aware. Visit www.childcareaware.org or call 1-800-424-2246 to locate an agency near you.

Families are able to select from a variety of authorized providers, including those sponsored by faith-based organizations that may engage in religious activities as part of the daily services they provide, and some states also provide these subsidies for family child care homes.

If you are a high school student in need of child care in order to finish school, you may be able to receive subsidy funds set aside for high school students. Follow the steps listed above to access the State by State Resource Map and find your state's subsidy office. Contact your state or local office, and ask if there are funds set aside for high school students.

Some child care centers offer a sliding scale or a scholarship for low-income families who can't afford the regular rates. Investigate centers to find your top five and then ask about rate options to see if they have a sliding scale or scholarship option.

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Any information available about local subsidy, scholarship, and sliding scale options.



A Flexible Spending Account (FSA) or a Cafeteria Plan is a benefit provided by your employer which allows you to set aside money, on a pre-tax basis, for certain health care and dependent care expenses. That means you keep more of your money. At the beginning of each plan year, participating employees determine an amount to set aside for the plan year on a non-taxed basis to pay their child care expenses. The employee will then submit vouchers, with receipts from the child care provider, requesting reimbursement for those expenses as they are incurred. The employee will be reimbursed with tax-free dollars. Generally, the employer will determine who is eligible to participate when establishing and qualifying the plan. See your employer for more information.

If you're an employee who works for an Executive branch agency or an agency that has adopted the Federal Flexible Benefits Plan ("FedFlex"), you can elect to participate in the Federal Flexible Spending Account Program (FSAFEDS). FSAFEDS offers an account for families with young children or elder care expenses. This account allows you to set aside money to pay for your child care expenses. The average FSAFEDS participant [saves 30%](#) on their eligible out-of-pocket expenses as a result of being enrolled. For information about the FSAFEDS program, <http://www.FSAFEDS.com>. FSAFEDS Benefits Counselors are available Monday through Friday from 9 a.m. until 9 p.m. Eastern Time at 1-877-FSAFEDS (TTY Line: 1-866-353-805) (Retrieved from <https://www.opm.gov/healthcare-insurance/insurance-faqs/flexible-spendingaccount/?cid=31cd0123-d5dd-44ab-bb21-d49c15579d7b>)

Employees with child care expenses can do a comparison between an FSA/ cafeteria reimbursement and the tax credit to determine which would be better for him or her.

Does a DCFSA or the Dependent Care Tax Credit provide better savings?

It depends on your tax situation. You may apply up to \$3,000 of expenses paid in a year for one qualifying individual, or \$6,000 for two or more qualifying individuals to your taxes through the Dependent Care Tax Credit.

If you have two or more dependents and your household adjusted gross income is less than \$43,000, you might find the federal tax credit to be more beneficial. However, if your household adjusted gross income exceeds \$43,000, it is likely the DCFSA will provide greater tax savings.

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See [Dependent Care Tax Credit Worksheet \(PDF\)](#) to help you determine which option is best for you. Please seek guidance from your tax advisor to determine which option is best for you. (Retrieved from <https://www.fsafeds.com/support/faq/dcfesa>)

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Procedure at this center for getting the needed documentation to submit for these plans.



Tax Credits

Working families can also take a tax credit with the Child and Dependent Care Tax Credit [Form 2441](#) (available on the [IRS.gov](https://www.irs.gov) website), but many don't realize they're even eligible. When you file your taxes at the end of the year, use the form to itemize up to \$3,000 of child care expenses per child (up to a maximum of \$6,000) which brings about \$600 per child (\$1,200 maximum) in tax savings.

If you have more than one child and have access to an FSA, you can use Form 2441 for the additional \$1,000 in child care expenses to save an additional \$200. Families can't use their FSA and Form 2441 for the same expenses, so that's why a family in this situation can only claim \$1,000 toward the Child and Dependent Care Tax Credit

Child and Dependent Care Credit

You may be able to claim the child and dependent care credit if you paid expenses for the care of a qualifying individual to enable you (and your spouse, if filing a joint return) to work or actively look for work. You may not take this credit if your filing status is married filing separately. The amount of the credit is a percentage of the amount of work-related expenses you paid to a care provider for the care of a qualifying individual. The percentage depends on your adjusted gross income.

Dollar Limit

The total expenses that you may use to calculate the credit may not be more than \$3,000 (for one qualifying individual) or \$6,000 (for two or more qualifying individuals). Expenses paid for the care of a qualifying individual are eligible expenses if the primary reason for paying the expense is to assure the individual's well-being and protection. If you received dependent care benefits that you exclude or deduct from your income, you must subtract the amount of those benefits from the dollar limit that applies to you.

Qualifying Individual

A qualifying individual for the child and dependent care credit is:

- Your dependent qualifying child who is under age 13 when the care is provided,
- Your spouse who is physically or mentally incapable of self-care and lived with you for more than half of the year, or
- An individual who is physically or mentally incapable of self-care, lived with you for more than half of the year, and either: (i) is

your dependent; or (ii) could have been your dependent except that he or she has gross income that equals or exceeds the exemption amount, or files a joint return, or you (or your spouse, if filing jointly) could have been claimed as a dependent on another taxpayer's return.

Physically or Mentally Not Able to Care for Oneself - An individual is physically or mentally incapable of self-care if, as a result of a physical or mental defect, the individual is incapable of caring for his or her hygiene or nutritional needs, or requires the full-time attention of another person for the individual's own safety or the safety of others.

Children of Divorced or Separated Parents or Parents Living Apart - A noncustodial parent who is claiming a child as a dependent should review the rules under the topic *Child of divorced or separated parents or parents living apart* in [Publication 503](#), *Child and Dependent Care Expenses*, because a child may be treated as the qualifying individual of the custodial parent for the child and dependent care credit, even if the noncustodial parent is entitled to claim the dependency exemption for the child.

Individual Qualifying for Part of Year - If an individual is a qualifying individual for only a part of the tax year, only those expenses paid for care of the individual during that part of the year are included in calculating the credit.

Taxpayer Identification Number (TIN) - You must provide the TIN (usually the social security number) of each qualifying individual.

Care of a Qualifying Individual

The care may be provided in the household or outside the household; however, don't include any amounts that aren't primarily for the well-being of the individual. You should divide the expenses between amounts that are primarily for the care of the individual and amounts that aren't primarily for the care of the individual. You must reduce the expenses primarily for the care of the individual by the amount of any dependent care benefits provided by your employer that you exclude from gross income. In general, you can exclude up to \$5,000 for dependent care benefits received from your employer. Additionally, in general, the expenses claimed may not exceed the smaller of your earned income or your spouse's earned income; however, a special rule applies if your spouse is a full-time student or incapable of self-care.

Care Providers

You must identify all persons or organizations that provide care for your child or dependent. You must report the name, address, and TIN (either the social security number or the employer identification number) of the care provider on your return. If the care provider is a tax-exempt organization, you need only report the name and address of the organization on your return. You can use [Form W-10](#) (PDF), *Dependent Care Provider's Identification and Certification*, to request this information from the care

provider. If you can't provide information regarding the care provider, you may still be eligible for the credit if you can show that you exercised due diligence in attempting to provide the required information. If you pay a provider to care for your dependent or spouse in your home, you may be a household employer. If you're a household employer, you may have to withhold and pay social security and Medicare taxes and pay federal unemployment tax. For more information, refer to *Employment Taxes for Household Employers* in [Publication 503](#), [Publication 926](#), *Household Employer's Tax Guide*, or [Topic 756](#).

Payments to Relatives or Dependents - The care provider can't be your spouse, the parent of your qualifying individual, your child who is under the age of 19, or a dependent for whom you or your spouse may claim an exemption on your return.

Reporting on Your Tax Return

If you qualify for the credit, complete [Form 2441](#) (PDF), *Child and Dependent Care Expenses*, and [Form 1040](#) (PDF) or [Form 1040A](#) (PDF), *U.S. Individual Income Tax Return*, or [Form 1040NR](#) (PDF), *U.S. Nonresident Alien Income Tax Return*. If you received dependent care benefits from your employer (an amount is shown on your [Form W-2](#) (PDF), *Wage and Tax Statement*), you must complete Part III of Form 2441. You can't claim the child and dependent care credit if you use [Form 1040EZ](#) (PDF), *Income Tax Return for Single and Joint Filers With No Dependents*.

Additional Information

For more information about qualifying for this credit and dependent care benefits, refer to [Publication 503](#), *Child and Dependent Care Expenses*, and [Am I Eligible to Claim the Child and Dependent Care Credit?](#)

Tax Credits

Tax credits do not provide immediate help with paying for child care, but they reduce the amount of tax owed and help to maximize your refund. A tax refund, if received, can be set aside for other costs throughout the year.

- **Child and Dependent Care Tax Credit** – This credit is available to people who are paying for child care so that they can work or look for work.
- **Earned Income Tax Credit** – This is a tax credit for moderate- to low-income working individuals and families.

Speak with a tax specialist or visit www.irs.gov for more information on these tax credits and more. Your local CCR&R may be also able to assist you with this information. [Search for your local CCR&R here](#) or by calling Child Care Aware® at 1(800) 424-2246.

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Procedure at this center for getting the needed documentation to submit for these tax credits.



ORGANIZATION AND UNION INVOLVMENT

Unions: In addition to bargaining for stronger contract language, it is equally important for unions to participate in efforts to advance family-friendly workplace policies at the local, state and national level.

Child Care Aware: Get information on how to get involved and take action on child care policy efforts in your state. usa.childcareaware.org

First Five Years Fund: Learn more about national child care policy efforts. www.ffyf.org

California Work & Family Coalition: Learn about and join the Labor Project's California-specific campaigns on issues such as family leave, caregiver discrimination, and paid sick days. www.workfamilyCA.org

Family Values @ Work: Learn about and join efforts in states with labor-community coalitions working for paid sick days, family leave insurance and other policies that value families at work. www.familyvaluesatwork.org

1. Help from Your Employer

In addition to offering an FSA, your workplace might offer subsidies or benefits to help pay for child care costs. Some employers offer subsidies to help families pay for child care. Check with your company's human resources department for any available benefits. Learn more about the [workplace care benefits you could be getting](#).

2. Help for Students

If you or your spouse is a student, check with the school to see if they offer any financial assistance for paying for child care and the type of care they cover. For instance [Oregon State University](#) offers a plan that helps pay for various types of care. Some universities also offer low-cost, on-campus child care for eligible students.

Some states also have grants for degree-seeking students to help pay for child care, but they're often distributed through offices of varying names. In Massachusetts, the funds are issued through the [Executive Office of Education](#); in Oregon, it's through the [Office of Student Access and Completion](#); and in Utah, it's through the [Office of Child Care](#). Again, your school may be able to point you in the right direction.

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Information about any local workplace and student child care assistance.



Child Care Tuition Assistance Tool # 7
State-Funded Pre-K Programs

May 2023

State-Funded Pre-K

Pre-K programs are geared towards children 3 to 5 years old. The focus is on early education and school readiness, and they may be part- or full-day programs. Some states offer Pre-K programs at low or no cost to eligible families. Other states have made pre-K available to all families. Your local Child Care Resource and Referral agency (CCR&R) can tell you if your state funds pre-K for some or all families. They can also help you find pre-K programs where you live. [Search for your local CCR&R here](#) or by calling Child Care Aware® at 1(800) 424-2246

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Information about locally funded Pre-K programs



Head Start Programs

Head Start programs promote the school readiness of children and provide a wide range of services to support children's mental, social, and emotional development. These programs are funded by the federal government. Early Head Start serves children from birth to 2 years old, and Head Start serves children 3 to 5 years old. Families with an income at or below the poverty level may be eligible for Head Start. Other factors that affect eligibility include homelessness, children in foster care, or receiving certain types of public assistance.

Head Start programs provide services in every U.S. state and territory, in farm-worker camps and in more than 155 American Indian and Alaska Native tribal communities. To apply for Head Start, [contact your nearest Head Start grantee](#). They will be able to provide you with information on openings in the program and how to apply. You can also [learn more on the Head Start website](#).

Contact the Head Start or Early Head Start agency serving your community. Your local Head Start agency will provide the required forms and answer questions about the program. The local agency will also help you find the Head Start Center closest to your home. To find a local Head Start or Early Head Start program to contact in your area, use the on-line national [Head Start Program Search Tool](#).

Use the search tool to browse through the list of Head Start programs in your State. Then contact the listed programs closest to your community, even if they are some distance away. These are the main program offices which can tell you if there is a Head Start center closer to your area. Many of the organizations found in the Search Tool operate additional Head Start centers that are not listed, so there may be a program closer to your home than it appears.

If you need more help to find a Head Start or Early Head Start program in your area, call the Head Start Information and Publication Center at 1-866-763-6481.

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Information about local Head Start programs.



Military and DoD Fee Assistance Programs

If you're in a military family, the government offers subsidies through various agencies, depending on the military branch your family serves.

Child Care Aware® of America offers child care fee assistance to eligible members of the military and DoD. Eligibility requirements are determined by each branch of service or agency. Visit [Child Care Aware® of America's website](#) to find out if your branch or agency is covered.

The military and DoD fee assistance programs are funded separately from the Child Care Aware program website (www.childcareaware.org). For that information, it is preferred to use the Child Care Aware of America organization website, as that will be the most direct and up-to-date resource for the information. A good starting place is:

<http://usa.childcareaware.org/fee-assistancerespite/military-families/>

Eligibility questions should be directed to: 1-800-424-2246 or via the website, and you also need to determine if your Child Care Provider is eligible to participate in this program.

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The program's eligibility to participate in the military subsidy program and procedure at this center for getting the needed documentation to submit for these military subsidies.