

**ARS** □ **ERS** □ **NASS** □ **NIFA**

*Bulletin*

**Title:** REE Child Care Tuition Assistance Program

**Number:** 15-403

**Date:** October 1, 2014

**Expiration:** September 30, 2015

**Originating Office:** REE Services Branch  
Human Resources Division

**Distribution:** All ARS, ERS, NASS, and NIFA Employees

This bulletin provides the REE policy and procedures to apply for child care tuition assistance in FY2015.

## 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, ERS, NASS, and NIFA 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 REE employees who meet the criteria below and have an eligible child(ren) may receive child care tuition assistance. An employee must:

- Hold a permanent or temporary position with an appointment that 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 that is licensed to provide day care services in the state or location in which they operate. (See Section 4c on page 3 for full definition of Qualifying Provider.)

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

#### **4b. Qualifying Children**

Qualifying children are children age 12 and younger (under the age of 13) and disabled children through age 17 (under 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 school care programs are included.

## 5. Employee Notification

Employees will be notified at the beginning of each fiscal year by the issuance of a bulletin, and information will be posted on the Web site at <http://www.afm.ars.usda.gov/hrd/worklife/>. Newly hired employees will be notified of the program via new employee orientations and various 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. In addition, an **annual** recertification is required in April of every year for benefits to continue.

- OPM Form 1643;
- OPM Form 1644; (Disregard Section IV)
- 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 most recent Federal income tax return (annual submission is required for continued enrollment);
- A copy of their child care provider's current license complying with State and/or local child care regulations; and
- A copy of the childcare provider's rate sheet.

OPM Forms 1643 and 1644 may be found on E-Forms or at the web sites below:

<http://www.afm.ars.usda.gov/hrd/worklife/childcare.htm>

<http://feeachildcareservices.com/>

Upon completion, all documents can be sent by e-mail, fax, or mail.

E-mail to [veros@feea.org](mailto:veros@feea.org)

Fax to 303-933-7587

Mail to FEEA Childcare Services at 3333 S. Wadsworth Blvd. Ste. 300, Lakewood, CO 80227.

**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**

FEEA Childcare Services (FCCS)  
3333 S. Wadsworth Blvd. Ste. 300  
Lakewood, CO 80227

Vickie Eros, FCCS Program Manager

Telephone: 303-933-7580  
Toll Free: 1-800-323-4140  
Fax: 303-933-7587  
E-mail: [veros@feea.org](mailto:veros@feea.org)  
Web site: <http://feeachildcareservices.com/>

## **8. REE CCTAP Program Managers**

Elizabeth V. Parker, REE Work/Life & Wellness Program Manager  
USDA/ARS/AFM/HRD/REE Services Branch  
Telephone: 301-233-2995  
E-mail: [liz.parker@ars.usda.gov](mailto:liz.parker@ars.usda.gov)

Mari L. Gomez, REE Work/Life & Wellness Program Specialist  
USDA/ARS/AFM/HRD/REE Services Branch  
Telephone: 301-448-5597  
E-mail: [mari.gomez@ars.usda.gov](mailto:mari.gomez@ars.usda.gov)

## **9. 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 FCCS 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 Personnel & Labor Solutions Branch on 301-504-1349 for additional information.

## 10. Signature of Approval

/s/

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Diane McFadgen  
Director, Human Resources Division

October 6, 2015  
Date

## REE CCTAP Frequently Asked Questions

**(a) Who will administer the program?**

FEEA Childcare Services, Inc. (FCCS) 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 Liz Parker, REE Work/Life & Wellness Program Manager, on 301-233-2995 or Mari Gomez, REE Work/Life & Wellness Program Specialist, on 301-448-5597.

If you have specific questions about your application or payment of benefits to your child care provider, please contact FCCS on 1-800-323-4140 or by e-mail at [veros@feea.org](mailto:veros@feea.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 FCCS directly to your designated child care provider. Both you and your licensed child care provider must certify monthly by signing the monthly invoice provided by FCCS that the child care services were delivered to your child. You or your child care provider then returns the completed certification form to FCCS who then issues the payment directly to the childcare provider.

*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 FCCS.

**(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 she 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 by FCCS 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 FCCS 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 Personnel and Labor Solutions Branch on 301-504-1349 for additional information.