

3 FAM 3830 CHILD CARE SUBSIDY PROGRAM (CCSP)

*(CT:PER-535; 05-04-2005)
(Office of Origin: HR/ER/WLP)*

3 FAM 3831 AUTHORITY

*(CT:PER-535; 05-04-2005)
(State only)
(Applies to Foreign Service and Civil Service Employees)*

40 U.S.C. 590(g)

3 FAM 3832 SCOPE OF PROGRAM

*(CT:PER-535; 05-04-2005)
(State only)
(Applies to Foreign Service and Civil Service Employees)*

The purpose of the Child Care Subsidy Program (CCSP) is to assist the Department's lower-income employees with the cost of quality care for their children. The CCSP is a need-based program and benefits will differ for each family based on their total family income and the total cost of qualifying childcare. The CCSP is also a benefits program that contributes to the Department's overall recruitment and retention efforts.

3 FAM 3833 ELIGIBILITY

3 FAM 3833.1 General

*(CT:PER-535; 05-04-2005)
(State only)
(Applies to Foreign Service and Civil Service Employees)*

- a. Subsidy payments are restricted to lower-income direct hire full-time and part-time employees utilizing qualifying childcare facilities in the United States.

- b. Currently, eligibility does not extend to employees assigned abroad who use childcare centers licensed or regulated by foreign authority.
- c. In order to qualify, the employee, the employee's child and the childcare provider must fulfill certain eligibility requirements. See 3 FAM 3833.2 and 3 FAM 3833.3 for the definition of qualifying child and eligible childcare provider, respectively.

3 FAM 3833.2 Child Eligibility

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

Eligibility for this benefit extends to a Child who is a member of the employee's household who **is** (a) age 13 or younger; **or** (b) under age 18 and is physically or mentally incapable of caring for himself or herself **and** who bears the following relationship to the employee:

- A biological child
- An adopted child
- A stepchild
- A foster child
- A child for whom a judicial determination of support has been obtained
- A child to whose support you as the parent or legal guardian make regular and substantial contributions

3 FAM 3833.3 Provider Eligibility and Type of Care Allowed

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

A childcare provider or childcare facility must be licensed and/or regulated by U.S. state and/or local authority in order to qualify for subsidy benefits. Care provided for eligible children (see 3 FAM 3833.2, above) may be in-home care, at a childcare center care, before and/or after care, and/or day care offered during normal summer and holiday recess periods.

3 FAM 3833.4 Ineligibility for Child Care Subsidy

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

Employees would no longer be eligible for subsidy assistance if their

- (1) Employment with the Department was terminated; or
- (2) Total family income (TFI) levels, as reported to FEEA each May, exceeded the program threshold of \$60,000; or
- (3) Childcare providers were not licensed or regulated; or
- (4) Children were no longer able to meet the definition of child as defined by 3 FAM 3833.2 above.

3 FAM 3834 RESPONSIBILITIES

3 FAM 3834.1 Program Administrator

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

The Federal Employee Education and Assistance Fund (FEEA) administer the Subsidy Program based on program eligibility criteria established by the Department. FEEA has the authority to approve or disapprove applications based on these specific criteria. FEEA will:

- (1) Receive and review submitted forms and documentation that comprise the application package;
- (2) Notify employees of their eligibility or ineligibility after all paperwork has been reviewed and evaluated;
- (3) Send award letters to qualifying employees;
- (4) Request eligible employees to review, sign and return the award letters thereby agreeing to comply with certain responsibilities specific to subsidy eligibility; and
- (5) On a monthly basis, provide eligible childcare providers with invoice forms that must be completed and signed by the provider and the employee in order for subsidy payments to be processed.

Note: Any amounts due the provider over and above that paid by the State Department through the Plan Administrator are the responsibility of the employee.

3 FAH 3834.2 Employee

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

- a. The cost of childcare remains the responsibility of the employee. The Department's Child Care Subsidy Program assists the employee with the cost of quality care. In order to benefit from this subsidy the employee must coordinate the application process by ensuring that the appropriate forms are complete and submitted to FEEA, the program administrator. It is also the responsibility of the employee to provide the childcare administrator with a copy of their income tax return each May and to submit, with the assistance of the childcare provider, the monthly voucher which stipulates the period and cost of care provided.
- b. The employee must also inform FEEA of any changes of circumstances that would or could impact on their eligibility to receive subsidy assistance. Such circumstances or conditions would be a change in licensed childcare providers; voluntary withdrawal from the program; removal of a child from licensed care; or resignation of the employee from the Department.

3 FAM 3834.3 Qualifying Child Care Provider

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

Following each month of service, employee childcare providers will:

- (1) Certify on the invoice letter (provided by FEEA) the cost of childcare services performed on a weekly basis for each week of the respective month; and
- (2) Obtain the written concurrence of the employee and submit the completed invoice to the plan administrator, FEEA, for review and payment.

3 FAM 3834.4 Office of Employee Relations

(HR/ER/WLP)

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

The Office of Employee Relations manages the Child Care Subsidy Program and is available to assist in clarifying any questions that employees may have concerning the program. Employees are encouraged to contact HR/ER via email at ccsp@state.gov.

3 FAM 3835 SUBSIDY BENEFITS

3 FAM 3835.1 General

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

- a. Benefits are subject to the availability of appropriated funding.
- b. The employee must apply in order to be considered (see 3 FAH 3834).
- c. The program administrator pays benefits to the childcare provider on behalf of the employee; not to the employee.
- d. Benefits are only paid on a monthly basis after the care has occurred.
- e. Benefits will be provided as a percentage of eligible childcare expenses according to a schedule based on an employee's total family income (TFI). See Childcare Tuition Assistance Plan, Appendix A. This schedule may be adjusted from time-to-time but any changes are based on availability of program funding and/or to maintain an equitable distribution of benefits. The Under Secretary for Management must approve new schedules or changes to any existing schedule.

3 FAM 3835.2 Amount of Benefits

(CT:PER-535; 05-04-2005)

(State only)

(Applies to Foreign Service and Civil Service Employees)

- a. The Department has established the following formula for determining both eligibility and the amount of the childcare subsidy.

If Eligible Employee's Total Family Income is ¹	Then the Plan will pay this percentage of the Participant's Eligible Childcare Expenses ²
Over \$60,000	0%
\$50,000 - \$60,000	20%
\$40,000 - \$49,999	30%
\$30,000 - \$39,999	40%
Under \$30,000	50%

¹ Total Family Income refers to line 22 on Internal Revenue Service (IRS) Tax Return form 1040 or line 14 on IRS Tax Return Form 1040A

² A Participant's Benefits under this Plan will be reduced by the amount of other state or local childcare subsidies received by the Participant.

- b. See 3 FAM 3836 and for additional information visit How to Apply on the Intranet.

3 FAM 3836 THE APPLICATION PROCESS

(CT:PER-535; 05-04-2005)

(State Only)

(Applies to Foreign Service and Civil Service Employees)

- a. Employees must apply in order to be considered for subsidy assistance in addition to meeting eligibility requirements in 3 FAM 3833.
- b. The employee must complete Form DS-3076, Application for Child Care Subsidy. The employee must append to the completed DS-3076 a copy of their most recently filed federal tax return and one copy of each of the last two earnings and leave statements.
- c. The licensed childcare provided must complete Form DS-1644, Child Care Provider Application. The employee's childcare provider must also provide a copy of their license (issued by local authority) with the completed form DS-1644.
- d. The application package must be sent to the Department's plan administrator:

Federal Employee Education and Assistance Fund (FEEA)
FEEA/State Childcare,
8441 W. Bowles Ave., Suite 200,
Littleton, Colorado 80123-9501

NOTE: Applications should not be sent to the Office of Employee Relations

- e. If an employee is no longer eligible benefits will not be paid for expenses incurred after the date that such eligibility ceases except as outlined in 4.7(b) of the Child the Dependent Care Assistance Plan.

3 FAM 3837 TAX IMPLICATIONS

(CT:PER-535; 05-04-2005)

(State Only)

(For Foreign Service and Civil Service Employees)

Subsidies are generally taxable as income but may be exempt from federal tax under certain conditions. See tax implications on the intranet. The maximum amount an employee may be able to exempt in any one calendar year is \$5,000. Benefits that exceed \$5,000, according to IRS regulations, are subject to normal withholdings. The Department is required to withhold from amounts that exceed \$5,000.

3 FAM 3838 THROUGH 3839 UNASSIGNED