

CHILDCARE

Benefits to Employers	Benefits to Children and Parents/Families	Benefits to Employees/Parents
Increases productivity	Improves overall health	Reduces stress
Improves recruitment	Improves education	Improves work/life balance
Increases retention, reducing turnover costs	Emergency or backup care may reduce risk of spreading illness when a child is mildly ill by encouraging parents to keep the child out of normal daycare or school	Reduces financial burden
Reduces employee tardiness and absenteeism		Improves family economic security
Reduces "fill-in" costs		

Backup or Emergency Care

US companies lose \$3 billion in revenue annually due to employee absenteeism as the result of childcare breakdowns. (U.S. Chamber of Commerce Foundation, n.d.)

Backup and emergency childcare programs are offered at an employer’s work site, in centers or in an employee’s home, and allow employees to continue working despite temporary disruptions in normal caregiving arrangements or when a child is mildly ill. Employers can negotiate rates with local childcare facilities.

Sample Policy

- Annual Day Allotment for Onsite Backup Childcare: Employees are allocated 30 days per child per year at a subsidized cost.
- Additional Program Weeks: We will offer program weeks during Spring, Summer and Winter Breaks. The program weeks will include special programming and/or field trips. These days are in addition to your annual allotment of back-up days will not count toward the annual allotment of 30 back-up days per child per year. Program days can be reserved up to 90 days in advance.
- Infant Care and Time of Transition (TOT) Program: The TOT program includes a x consecutive week childcare program available to help new parents as they transition back into the workplace after having or adopting a child.
- Additional Onsite Backup Childcare Days: Employees who require more than the allotted 30 days will be able to use the back-up childcare center at the full-price rate (based on fair market value) for up to 15 additional days. This will allow employees to utilize the back-up childcare center, even on days that they hadn’t planned on it.

Subsidized/Reimbursed Childcare or Childcare Referral

Employers who reimburse or subsidize employees’ childcare pay all or part of approved arrangements and/or reserve slots at particular facilities for employees’ children. Through childcare referral, employers offer resources to parents to help them find childcare in the area.

Sample Policy

To help meet the cost of pre-kindergarten grade childcare, EMPLOYER offers a childcare subsidy to eligible staff. The program provides you the flexibility to choose a childcare provider (facility, in-home, nanny) and a subsidy amount to contribute to the cost of that childcare. The childcare subsidy is applied to your dependent care flexible spending account (FSA), which is administered by third-party vendor, _____.

To be eligible for the subsidy:

- You must be a benefits-eligible, full-time staff member
- Your child or children for which you wish to receive the subsidy must be claimed by you as IRS-tax dependents
- Your child or children for which you wish to receive the subsidy must not have started first grade
- If married, your spouse must also be employed, looking for work, or enrolled in school full-time

To apply for the subsidy, submit the online childcare subsidy form when you are eligible. A new childcare subsidy form must be submitted online for each year that the benefit is requested during open enrollment, within the first month following the date of hire, or within the first 30 days when returning to work after experiencing a qualifying event (i.e., birth or adoption of a new child).

If you are currently receiving the childcare subsidy for one child and you give birth to or adopt a second child during the year, you must re-apply for the childcare subsidy to receive the subsidy for your second child.

The monthly subsidy amount is determined by your annual salary. Reach out to EMPLOYER Human Resources for details.

You will receive the full subsidy amount for your level for your first eligible child and an additional 75% of the subsidy amount for subsequent eligible children, if applicable, up to the IRS dependent care FSA limit for the calendar year.

The subsidy is a reimbursement arrangement, which means that you pay for any eligible expenses first and then submit your expenses for reimbursement. Childcare subsidy funds are added to your dependent care FSA. You do not receive your full childcare subsidy amount for the year in one lump sum. Rather, you receive a portion of the reimbursement during each pay period, depending on your employee type, each month. You will receive your payments via check or direct deposit, depending on how you set up the reimbursement. The maximum monthly amount that you will be able to receive reimbursement for each month cannot exceed the amount that you are eligible for each month.

Common eligible expenses include: daycare, nanny fees, after-school care, and extended day programs. Reach out to EMPLOYER Human Resources for information on personal contributions to your FSA and a full list of eligible expenses.

If both parents work at EMPLOYER, only one parent is eligible to apply for the childcare subsidy.

\$1 invested in high-quality early childhood education programs can lead to \$16 back in the pockets of the community. (U.S. Chamber of Commerce Foundation, n.d.)