2024 Child Care Subsidy Summary

This summary applies to: Regular full-time and part-time faculty and staff, non-SEIU staff, Strong Memorial Hospital residents and fellows, and Postdoctoral Associates (0093).

Individuals covered by collective bargaining agreements receive benefits in accordance with those agreements (SEIU members are not eligible). Copies of those agreements are available upon written request.

Table of Contents

I. Policy

As part of the Family Care Program, the University of Rochester will provide a Child Care Subsidy to eligible faculty and staff to help assist with child care expenses including infant and toddler child care, pre-school/pre-K programs, care on school holidays, school-age summer day camps/programs, and school-age before/after school care, provided those expenses allow you and your spouse (if applicable) to work or look for work and otherwise qualify as reimbursable expenses under IRS rules.

Eligible faculty and staff whose total household gross income was less than $135,000 in 2022 may apply for Calendar Year 2024 (January 1, 2024 – December 31, 2024). Awards are provided on an annual basis and follow the calendar year. You must apply each year if you wish to receive a subsidy. Subsidy awards are per family, so only one person need apply if both parents work at the University.

The subsidy is a reimbursement program distributed through the Dependent Care Flexible Spending Account (FSA) and therefore will not be included in taxable income. If you receive a subsidy, you also may be eligible to make additional voluntary contributions on a pre-tax basis to your Dependent Care FSA, up to the total plan maximum of $5,000, or $2,500 for a married person filing separately.

II. Eligibility

Regular full-time and part-time faculty and staff, non-SEIU staff, Strong Memorial Hospital residents and fellows, and Postdoctoral Associates (job code 0093) are eligible; Individuals covered by collective bargaining agreements receive benefits in accordance with those agreements (SEIU members are not eligible). You must also meet the below criteria.

A. Based on IRS publication 503, you have a legal dependent child under age 13 whom you claim as a tax dependent on your federal income tax return (special rules apply for divorced parents), or any other dependent child on your tax return who resides with you and is physically or mentally disabled and will have estimated child/dependent care expenses during the enrolled calendar year or period.
B. Based on IRS publication 503, you are unmarried, or have a spouse who meets one of the criteria below:
    1. Employed at least part-time
    2. A full-time student
    3. Considered legally disabled
    4. Looking for work
C. Have a total household gross income of less than $135,000 in 2022. Based on the IRS Highly Compensated Employee (HCE) amount ($135K for CY2022/$150K for CY2023).
    1. Please note: to have a full year's view on total household income, we will use your prior year's tax information to assess eligibility based on timing.

III. Conditions

A. Subsidy Amount for Calendar Year 2024:
    1. **Total household gross income is less than $78,000:** Subsidy is $3,600/year ($300/month; $150/semi-monthly pay period; $138.46/biweekly pay period)
    2. **Total household gross income is between $78,000 and $103,999.99:** Subsidy is $2,400/year ($200/month; $100/semi—monthly pay period; $92.31/biweekly pay period)
    3. **Total household gross income is between $104,000 and $134,999.99:** Subsidy is $1,200/year ($100/month; $50/semi-monthly pay period; $46.15/biweekly pay period)
B. Eligible Child Care Expenses
    1. Reimbursements will only be made for eligible child care expenses under IRS rules. A complete list of qualifying expenses can be found in **IRS Publication 503**.
    2. Generally, qualifying expenses are limited to child care expenses that you incur to enable you and your spouse to be gainfully employed, but could include infant and toddler child care, pre-school/pre-K programs, care on school holidays, school-age summer day camps/programs, and school-age before/after school care.
    3. Your child care provider cannot be your spouse or dependent.
    4. Your child care provider must provide a Tax Identification or Social Security number and must report the child care income on their tax return.
    5. Your child care provider does not need to be a licensed facility, as long as the care provider reports the income on their tax return.
    6. **Please note:** You can only submit expenses for the time period you were enrolled in the plan in the given calendar year.
C. Qualifying Events
    1. New Hires have 30 days post-hire to submit a child care subsidy application.
    2. Within 60 days of a qualifying event (family status change), you may apply for the Child Care Subsidy. The full list of qualifying events and their corresponding changes can be found here.
D. Benefits During Leave

1. Unpaid Leave of Absence — Child Care Subsidy Award payments will stop as of the effective date of the unpaid leave. When you return to work in a benefit-eligible position, if you wish to re-elect the Child Care Subsidy, you must contact Total Rewards within 30 days of your return. You will have until April 30th following the end of the plan year to submit eligible expenses incurred during the plan year.
2. Paid Leave of Absence — Child Care Subsidy award payments would continue during an employee's paid leave of absence.

E. Benefits upon Termination or Change to ineligible status
   1. Child Care Subsidy Award payments stop as of your termination date or change to an ineligible status. You can no longer use the funds towards any future child care expenses. You will have until April 30th following the end of the plan year to submit eligible expenses incurred during the plan year. The amount available for reimbursement is limited to the amount credited to your Dependent Care FSA, less any prior reimbursements.

IV. Procedures

A. Application Process
   1. Eligible employees must complete and submit a child care subsidy application and supporting documentation during the Annual Application Period. Only newly eligible employees or those with a qualifying event (listed under Conditions) are eligible to apply outside of the Annual Application Period. New Hires have 30 days post-hire to submit a child care subsidy application and those with a Qualifying Life Event have 60 days to submit.
   2. Required Documents:
      a. Application (online submission form listed on the Family Care website)
      b. 1040 (page 1 and page 2 of your 2022 IRS form 1040 as well as that of your spouse, if filed separately).
      c. If you don't have a 1040 form, please email familycare@rochester.edu for next steps.
   3. Dependent Information Change Request Form

B. Application Period
   1. 2024 Annual Application Window: September 8, 2023 – September 25, 2023
      a. New hires and qualifying events can apply outside of the Annual Application Window as defined for the Dependent Care FSA (listed under Conditions)
   2. Notification
      a. Notification of approval or denial will be emailed prior to Open Enrollment
      b. If applying mid-year, you will be notified within one week of your completed application
   3. Applying during a Leave
      a. If on a Leave with Pay, you will need to follow the same deadlines and rules as an active employee
      b. If on an Unpaid Leave, you have 60 days to apply for the subsidy after your return to work
   4. Effective Date

a. If approved during the Annual Application Window, awards will go into effect January 1 of the following year
b. If applying mid-year, awards will be effective the 1st pay period following the date of your completed application

C. Reimbursement and Dependent Care Flexible Spending Accounts (FSA)
1. If you apply and are approved for the Child Care Subsidy, you will automatically be enrolled in the Dependent Care FSA. No action is needed, unless you plan to contribute voluntary funds.
2. The University of Rochester Child Care Subsidy will be distributed through the Dependent Care Flexible Spending Account and therefore will not be included in taxable income for employees.
3. Eligible expenses have to be made during the enrolled calendar year or period. If applying mid-year, you can only submit expenses that were incurred from the time of your approved application to the end of the calendar year.
4. Lifetime Benefit Solutions (LBS) administers dependent care claim reimbursements for the University of Rochester Child Care Subsidy Program based on the same rules and regulations governing Dependent Care FSAs.
5. You can submit a claim via the Lifetime Benefit Solutions member portal or mobile app. You also can complete a claim form and mail it to Lifetime Benefit Solutions. If you have not previously logged into your Lifetime Benefit Solutions account, please see the instructions for getting started.
6. Remember to always include a detailed receipt with your claim filing.
7. Learn how to set up direct deposit here for your reimbursement.
8. Claim forms and other important information can be found here.
9. You are not required to make voluntary, pre-tax contributions to your Dependent Care FSA. However, if you receive the University of Rochester Child Care Subsidy, you may also be eligible to make additional contributions to your Dependent Care FSA from your wages on a pre-tax basis. The IRS maximum amount you may contribute to a Dependent Care FSA, including both the University Child Care Subsidy and voluntary, pre-tax contributions, in 2024 is $5,000 for individuals or married couples filing jointly, or $2,500 for a married person filing separately.
10. Postdoctoral Associates are not eligible to make voluntary contributions into Dependent Care FSA’s. Please refer to the benefits summary for more details.
11. The subsidy is not considered taxable income through the Dependent Care Flexible Spending Account option, under the IRS limit of $5,000 (or $2,500, if you’re married and file taxes separately). Please consult with your financial advisor should you have questions.
12. Funds are made available on a pro-rated basis throughout the program year. For example, if you are approved for an annual subsidy of $2,400, $200/month; $100/semi—monthly pay period; $92.31/biweekly pay period would become available each month. Funds are deposited into your Dependent Care FSA on/around each pay period check date.
13. If married to a Ph.D. student who is eligible for the student subsidy program please apply for the Faculty/Staff Child Care Subsidy. Applications are limited to one per household.

14. Learn more about the Dependent Care FSA here.

Important things to know about your Dependent Care FSA Plan:

- Each new calendar year starts a new plan year. The funds contributed to your Dependent Care account are only eligible to reimburse services in that same calendar year.
- After the end of the year, you have until April 30th following the end of the plan year to submit a claim for the prior year.
- Any funds remaining in your account after the 120-day year end submission period will be forfeited and no longer available.
- If you leave employment, you can no longer use the funds towards any future dependent care services. You will have until April 30th following the end of the plan year to submit eligible expenses incurred during the plan year.

Lifetime Benefit Solutions administers the University of Rochester Dependent Care FSA Plan and they are here to help you with your questions. You can contact them via a toll free 800 customer service number or email as follows:

Toll-Free: 1-800-327-7130
Hours: Monday – Thursday: 8am-5pm EST
Friday: 9am-5pm EST
Email: LBS.CustomerService@LifetimeBenefitSolutions.com

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