2027 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.

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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 $160,000 in 2025 may apply for Calendar Year 2027 (January 1, 2027 – December 31, 2027). Awards are provided on an annual basis and follow the calendar year. You must apply each year if you wish to receive a subsidy. Each family is eligible for one subsidy award, so only one parent should apply, even if both work at the University. Awards are per household, not per child.

Distributed by reimbursement through the Dependent Care Flexible Spending Account (FSA), eligible program participants may also make voluntary contributions on a pre-tax basis to their FSA, up to the total plan maximum of $7,500, or $3,750 for a married person filing separately. Only eligible child care expenses under the Internal Revenue Code qualify for reimbursement within the subsidy. Your child care provider must provide a Tax Identification or Social Security number and report the child care income on their tax return. A discussion of qualifying expenses can be found in **IRS Publication 503**. Please note: your child care subsidy award, as well as any voluntary dependent care FSA contributions, and back-up care benefits, will be reported in Box 10 on your W-2. You should consult with your personal tax advisor regarding any tax impact for you, particularly if you do not claim the entire award you receive. Please review IRS Form 2441 with your personal tax advisor in determining how to account for your Dependent Care FSA benefits.

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 $160,000 in 2025. Based on the IRS Highly Compensated Employee (HCE) amount (amount is subject to annual indexing).
    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 2027:
    1. Total household gross income is less than **$93,000**: Subsidy is $3,600/year ($300/month; $150/semi-monthly pay period; $138.46/biweekly pay period)
    2. Total household gross income is between **$93,000 and $123,999.99**: Subsidy is $2,400/year ($200/month; $100/semi—monthly pay period; $92.31/biweekly pay period)
    3. Total household gross income is between **$124,000 and $159,999.99**: 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 that occurred during the time period you were enrolled in the plan in the given calendar year.

C. Qualifying Events
1. The Child Care Subsidy operates under the same rules and regulations as Dependent Care FSAs. Therefore, you can only make changes to your Child Care Subsidy if you have a Qualifying Life Event.
2. New Hires have 30 days post-hire to submit a child care subsidy application.
3. 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 120 days beginning January 1st of the current plan year to submit any remaining claims for qualified services incurred in the previous 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 120 days beginning January 1st of the current plan year to submit any remaining claims for qualified services incurred in the previous plan year.
2. 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 2025 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.

B. Application Period
1. 2027 Annual Application Window: September 11 – 28, 2026

   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. The University of Rochester Child Care Subsidy will be distributed through the Dependent Care FSA.
2. 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.
3. 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.
4. Eligible expenses have to be made during the enrolled calendar year or period within the calendar year. If applying mid-year, you can only submit expenses that were incurred from the 1st pay period following the date of your completed application to the end of the calendar year.
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 new user instructions.
6. Claim forms and other important information can be found here.
7. 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 2027 is $7,500 for individuals or married couples filing jointly, or $3,750 for a married person filing separately.
8. Postdoctoral Associates are not eligible to make voluntary contributions into Dependent Care FSA's. Please refer to the benefits summary for more

details.

9. Your child care subsidy award, as well as any voluntary dependent care FSA contributions and back-up care benefits, will be reported in Box 10 on your W-2, up to the maximum allowable of $7,500. You should consult with your personal tax advisor regarding any tax impact for you, particularly if you do not claim the entire award you receive. Please review IRS Form 2441 with your personal tax advisor in determining how to account for your Dependent Care FSA benefits.
10. 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; $92.31/biweekly would become available each pay period. Funds are deposited into your Dependent Care FSA on/around each pay period check date.
11. If applying mid-year, total awards are pro-rated based on your Application Effective date
12. 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.
13. 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 120 days beginning January 1st of the current plan year to submit any remaining claims for qualified services incurred in the previous plan 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 120 days beginning January 1st of the current plan year to submit any remaining claims for qualified services incurred in the previous plan year. The amount available for reimbursement is limited to the amount credited to your Dependent Care FSA, less any prior reimbursements.

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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