

## Child Care Subsidy Program Summary 2021

### OVERVIEW – CHILD CARE SUBSIDY – LOCAL 3882

NYU offers a Child Care Subsidy in accordance with the Collective Bargaining Agreement between the University and UCATS, Local 3882 effective November 1, 2017. The University will provide a Child Care Subsidy fund totaling \$170,000 for calendar year 2021 to assist Office and Clerical and Laboratory and Technical Staff with their child care expenses. Individual awards for eligible full-time and part time employees will be made in accordance with the Collective Bargaining Agreement-Article 25-Child care.

A joint University-Union committee will review the applications and use objective criteria to determine the awards. Committee members will not be eligible to receive a Child Care Subsidy. Funds will be disbursed to qualifying employees through a Dependent Care Flexible Spending Account (FSA) and therefore will not be included in taxable income.

One subsidy award is available per eligible family per year; applicants must reapply for the Child Care Subsidy each year.

### ELIGIBILITY

To be considered eligible for a Child Care Subsidy for calendar year 2021, you must meet the following requirements:

1. You must be an Office and Clerical or Laboratory and Technical Staff (Local 3882 member)
2. Your total combined gross household income from all sources must not have exceeded \$142,025 in 2019, nor be projected to exceed \$142,025 in 2020.
3. You are a single parent or your spouse/domestic partner is employed, actively seeking employment, disabled, or a full-time student.
4. The child(ren) for whom you are submitting a Child Care Subsidy application resides with you, is your legal dependent as defined by IRS regulations, and for whom you are entitled to a personal tax exemption as a dependent. If you are divorced, your child must live with you at least 6 months of the year.
5. Your child(ren) must be under age 13 years as of January 1 of the program year. Children from kindergarten age through age 12 will be considered eligible for after-school and summer day camp subsidies only.
6. You must have eligible child care expenses for your eligible child(ren) during the program year.
7. Your child(ren) must be listed as your dependent in the New York University Benefits Resource Center (BRC), with a copy of his or her birth certificate or certificate of adoption no later than the close of the application period. If your child is covered under the NYU medical plan, no action is needed. If your child is not covered, follow these instructions to [Add Dependent\(s\) to NYU Benefits Resource Center](#).
8. You must provide page 1 and page 2 of your 2019 IRS form 1040 through the application as well as that of your spouse or partner, if filed separately.
  - a. If your spouse or partner is self-employed, a Schedule C or 1099 is required.
9. You must upload a copy of your most recent pay slip within the application as well as a most recent pay slip of your spouse or domestic partner (if applicable).
  - a. If your spouse/partner is a full-time student, proof of registration is required.

## ELIGIBLE CHILD CARE ARRANGEMENTS AND EXPENSES

- Your child may be cared for in a licensed family child care home, child care center, nursery school, or in your own home. Payments may be made for services in your home as long as the services are not provided by someone you also claim as a dependent, nor by a child of yours under 19 years of age, whether or not a dependent. Your caregiver cannot be your spouse, domestic partner, or dependent.
- Payments made for services that provide care for your child(ren) so that you and your spouse/domestic partner can work.
- Your child care provider must provide a Tax Identification or Social Security number and must report the child care income on their tax return.

## HOW TO APPLY FOR A SUBSIDY

- You must submit a complete Child Care Subsidy Program online application during the announced annual application period, which will generally be held at the end of August through mid-September for the following program year, e.g., applications submitted in summer 2020 would be for the 2021 program year. Information submitted will be kept strictly confidential.
- Your child(ren) must be listed as your dependent in the New York University Benefits Resource Center (BRC), with a copy of his or her birth certificate or certificate of adoption no later than the close of the application period. If your child is covered under the NYU medical plan, no action is needed. If your child is not covered, follow these instructions to [Add Dependent\(s\) to NYU Benefits Resource Center](#).
- Subsidies are provided on an annual basis. You must apply each year if you wish to receive a subsidy.

## NOTIFICATION OF APPROVED APPLICATION

Those who are approved to receive a child care subsidy will be notified via their NYU email in mid-October, prior to the University's Benefits Annual Enrollment period.

## SUBSIDY DISBURSEMENT

The Child Care Subsidy is distributed to full time employees through NYU's Dependent Care Flexible Spending Account (FSA) and is therefore not included in your taxable income. A Dependent Care FSA is a pre-tax benefit account used for reimbursement of eligible child care expenses. Eligible recipients will receive their child care subsidy through an employer contribution to an NYU Dependent Care Flexible Spending Account (DCFSA). If you qualify for a Child Care Subsidy, you are responsible for understanding and complying with the rules and regulations that govern NYU's Dependent Care FSA plan. Federal tax law has strict rules about the use of these accounts, including the "use it or lose it" rule which requires that you forfeit any funds remaining in your Dependent Care FSA at the end of the Plan Year. These rules must be followed without exception.

- A subsidy made available through a Dependent Care FSA may be claimed as the funds are made available on a pro-rated basis throughout the program year. For example, if approved for an annual subsidy of \$1,200, \$100.00 would become available each month. Then, the subsidy may be claimed via the instructions in the section "How to Claim a Subsidy" below.

- Recipients may elect to contribute their own pre-tax dollars to the Dependent Care FSA for the difference between their subsidy and the Dependent Care FSA plan maximum. For individuals with an annual salary under \$120,000, the current plan maximum is \$5,000. However, this may change due to the results of annual non-discrimination testing.
- It is recommended that you consult your tax professional and [IRS Publication 503](#) for guidance on contributing to a Dependent Care FSA.

## HOW TO CLAIM A SUBSIDY

- WageWorks administers dependent care claim reimbursements for the Child Care Subsidy Program based on the same rules and regulations governing Dependent Care FSAs.
- Your subsidy, as well as any money you elect to contribute to an NYU Dependent Care FSA, accrues on a monthly basis within your WageWorks account. Reimbursement is limited to the amount that has actually accrued as of the date your reimbursement request is processed. For example, if approved for an annual scholarship of \$1,200, \$100.00 would become available each month.
- Once expenses have been incurred, you may request reimbursement by filing a claim with WageWorks. “Incurred” means you have both paid for and received the service.
- Expenses must be incurred during the calendar year (program year) following the application period.
- Please review the [Guide to Claim Funds document](#). Information regarding claims submission to the Dependent Care Flexible Spending Account can also be found on the [WageWorks website](#).
- Recipients of a subsidy through the Dependent Care FSA are responsible for understanding and complying with the rules and regulations that govern the NYU Dependent Care FSA Plan.

If you have any questions, contact PeopleLink at [askpeoplelink@nyu.edu](mailto:askpeoplelink@nyu.edu) or 212-992-LINK (5465)