

## DIRECT ASSISTANCE

**Child Care Financial Aid:** Onondaga County has state subsidies to help families pay for child care. If you work more than 20 hours a week and need help paying for child care, call the Onondaga County Day Care Unit at (315) 435-5683. Family income must be below these guidelines to qualify for aid:

Family Size	Gross Annual Income
2	\$28,000
3	\$35,200
4	\$42,400

*2008 Eligibility figures*

### **United Way Community Child Care Scholarship:**

The United Way Scholarship Program provides financial assistance to working parents residing in Onondaga County whose incomes are too high to qualify for help from public subsidies, but who still need help paying for child care. Funds are limited and may be used only for full-time child care at a non-profit, licensed child care center.

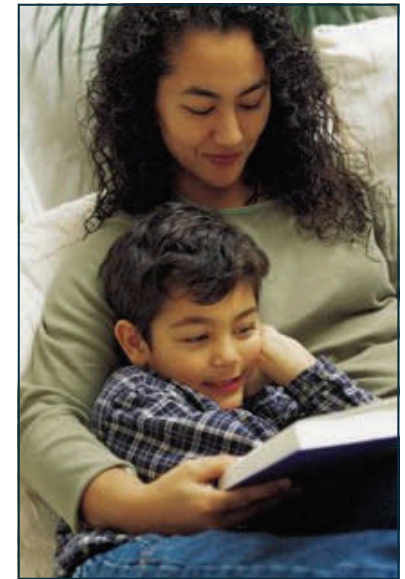
Contact Child Care Solutions at (315) 446-1220, ext. 303 for an application and a list of eligible centers.

Family income must be within the 2008 guidelines listed below to qualify for scholarship assistance:

Family Size	Gross Annual Income
2	\$28,001 - \$35,000
3	\$35,201 - \$44,000
4	\$42,401 - \$53,000



# Parent Guide to Child Care Financial Assistance



Information provided by



[www.childcaresyracuse.org](http://www.childcaresyracuse.org)

July 2008

**United Way's Success By 6**

PO Box 2129  
Syracuse, NY 13220-2129

## EMPLOYER PROGRAMS

Child care expenses can place a financial strain on a family. Employers can help families with child care costs in several ways. Talk to your Human Resource representative to find out if your company provides any of the following programs:

**Flexible Spending Account:** This benefit allows you to set aside a portion of your earnings to pay for qualified expenses, most commonly for medical expenses, but often for dependent care including child care. Money deducted from an employee's pay into an FSA is not subject to payroll taxes resulting in a substantial payroll tax savings. One major drawback is that the money must be spent within the plan year, commonly defined as the calendar year. Any money unspent at the end of the coverage period is forfeited back to the company; this is commonly known as the "use it or lose it" rule.

**Cafeteria Plans:** These plans allow employers to offer a wide range of benefits. Employees choose from a menu of options, which may include dependent care, and customize their benefits package. For example, an employee whose health insurance is provided by his spouse's employer may choose a child care benefit instead.

### **Child Care Vouchers or Reimbursements:**

An employer may offer workers a child care allowance or subsidy that families can use toward a child care arrangement of their choice. The employer contribution can be a percentage of the total cost of care, a flat amount for all participating employees or determined by a sliding scale based on a family's income.

**Child Care Vendor Plan:** An employer or group of employers may contract with a local child care program to reserve or discount slots for company employees. The employers pay a portion of the employee's child care costs directly to a program.

## GOVERNMENT TAX CREDITS

There are also federal and state programs available to help offset the cost of child care. They include:

### **Earned Income Tax Credit (EITC)**

The Earned Income Tax Credit is a special refundable tax credit offered by the federal government. New York State also has a refundable EITC. The federal and state EITCs are for working people who earn low or moderate incomes. Workers who qualify for EITC can get back some or all of the income tax that was taken out of their pay during the year. Even if you don't owe taxes, you may be eligible for a refund check simply by claiming the EITC.

To be eligible, you must have worked full or part time at some point in 2008. Families with one child who earn less than \$35,241 and families with two or more children who earn less than \$39,783 may qualify for EITC. The federal Earned Income Tax Credit is worth up to \$4,716. The State EITC is worth up to \$1,415.

### **Child & Dependent Care Credit**

If you need to pay for child care in order to work or look for work, this benefit can help offset expenses. The Federal Child & Dependent Care Credit is a non-refundable credit for working people. The credit is limited to the amount of the worker's income tax. However, the New York State Child & Dependent Care Credit is refundable.

#### **You are eligible for the credit if:**

- You paid for child care for a child under 13 who lives with you and you claim as a dependent;
- You paid for the care in order to work or look for work;
- If married, both spouses must have needed care to work or look for work or one spouse must have been a full-time student or disabled.

The amount of expenses you claim on your federal return may not exceed the family's earned income. The federal Child & Dependent Care Tax Credit provides up to \$2,100 in tax assistance depending on family income and number of eligible dependents. The New York State Child and Dependent Care Tax Credit provides up to \$2,310 in tax assistance.. The expenses you claim may not include the value of any employer-provided dependent care benefits you received.

If you need help finding child care or have questions about child care or financial aid, call Child Care Solutions at (315) 446-1220 ext. 303

