

Brown University Child Care Subsidy for Faculty, Non-Union Staff, Union Dining Services, Union Facilities Management, Union Library, and Postdoctoral Research Associates Frequently Asked Questions

What is the Brown University Child Care Subsidy?

Brown University's child care subsidy helps you pay for your child's care expenses by granting awards of up to \$4,000 a year per household. The subsidy covers child care for dependents between the ages of 0 to 6. This subsidy helps you explore options and find creative solutions to some of the child care challenges you may face.

How do I know if I am eligible for the Child Care Subsidy?

You are eligible if you meet the following criteria:

- You are a benefits eligible university employee (faculty, non-union staff, union Dining Services, union Facilities Management, union Library, postdoctoral research associate), with a 67%-100% FTE appointment.
- You are unmarried or have a spouse who is:
 - a. Employed at least part-time or
 - b. A full-time student or
 - c. Considered legally disabled or
 - d. Unemployed but actively seeking employment. Your spouse must have legal work authorization to work in the United States. If applicable or in some circumstances, a work visa is required and must be attached as documentation.
- You have a total household adjusted gross income of less than or equal to \$130,000 per year as shown on your previous year's 1040.
- You have a child between the ages of 0 to 6 who is your legal dependent (as defined by IRS regulations), and for whom you are financially responsible in the upcoming year.

If both parents are employees and/or students at Brown University, can they both apply?

If both parents are students and/or employed by Brown, only one parent can submit for a subsidy award.

Why must my spouse be employed, a full time student, disabled, or actively seeking employment for us to be eligible for the subsidy?

Incurred child care expenses are considered eligible expenses if they allow you and your spouse to work or look for work. If your spouse is unemployed at the time you expect to receive the subsidy, you will be required to provide a projection of income for the upcoming year if he or she is actively seeking employment. This amount can be based on the previous year's tax return or an estimation of salary of his or her given profession. Spouses who are looking for work must have legal work authorization to work in the United States. If your spouse remains unemployed throughout the year, and doesn't meet one of the other exceptions/conditions (is disabled or a full time student), you will be ineligible for the subsidy funds.

How do I apply for the subsidy?

You must complete and submit a child care subsidy application and supporting documentation by the October deadline. Applications are not complete until all required

documentation is attached to your application and the package is submitted to University Human Resources at childcare@brown.edu. Applications received after the deadline will only be accepted if funds have not been exhausted. Please contact University Human Resources at childcare@brown.edu to verify if funds are still available at that time. Incomplete applications, including any with missing documentation, will not be considered for the subsidy.

What documentation do I need to provide?

- The front page of your IRS form 1040 from the prior year and the front page of form 1040 for your spouse if filed separately.
- A copy of a birth certificate or certificate of adoption for the child receiving the subsidy. If this is already on file in Workday, you will not need to resubmit.
- Work visa, if applicable, for a spouse who is unemployed but actively seeking employment.

My child isn't due until after the deadline. Can I still apply?

No, you must apply once your child is born and enrolled in child care. Please contact University Human Resources at childcare@brown.edu to verify if funds are still available at that time.

How do I estimate the cost of care?

To estimate your cost of care for the award year, review the child care expenses you had over the last 12 months. If you anticipate a change in the amount or type of care you used, adjust your estimates accordingly. If you anticipate a change in day care costs as a result of a rate increase/decrease and/or a change in your child care provider, adjust your estimates accordingly.

How is the decision made on who will receive the subsidy?

Once an application has been received, it is then reviewed to ensure that the applicant, spouse, and child meet the eligibility criteria. Final award amounts will be determined based on the number of subsidies awarded.

Should I expect the same amount of subsidy money each year?

No, subsidy funding is limited and the number of applicants will fluctuate from year to year. Subsidy awards may increase or decrease from one award year to the next. Changes in income, age of the child, and child care expenses may also affect the amount of the subsidy you receive each year.

Can I estimate how much I might receive?

Yes, but the amount you might receive may vary each year. The chart below is based on the financial impact that child care costs place on different income groups.

Adjusted Gross Income	Potential Maximum Yearly Subsidy Per Household
Up to \$40,000	\$4,000
\$40,001-\$60,000	\$3,000
\$60,001-\$80,000	\$2,000
\$80,001-\$100,000	\$1,500

\$100,001-\$130,000	\$1,000
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Is there a maximum total amount I might receive?

Yes. The maximum amount of subsidy funding that any household may receive is \$4,000.

How will I be notified about whether I'll receive an award?

A letter will be emailed to the address provided on your application in October/November.

Can the subsidy be paid directly to my day care provider?

No, awards will be issued directly to university employees.

How will I receive the subsidy?

University employees can choose to receive the subsidy in a tax-free Dependent Care Flexible Spending Account **or** in a taxable check. University employees who elect to enroll in the Dependent Care Flexible Spending Account during fall Open Enrollment will have funds transferred to those accounts in January and July. As soon as child care expenses have been incurred, you can request reimbursement. University employees who choose to receive the subsidy in a taxable check will receive their two payments in their January and July paychecks.

How do I enroll in the Dependent Care Flexible Spending Account?

University employees will have the opportunity to enroll in the Dependent Care Flexible Spending Account during fall Open Enrollment. However, please note that the IRS limits total annual contributions to a Dependent Care Flexible Spending Account from all sources to \$5,000. Many eligible university employees may have total childcare expenses greater than that amount and may not wish to reduce their personal contribution by the amount of the University award. You should consult with your financial advisor with any questions about the Dependent Care Flexible Spending Account.

How will the subsidy affect my Dependent Care Flexible Spending Account if I am already contributing my own money to it?

The maximum amount that you and Brown can contribute for the year is \$5,000. If you will reach this maximum through your direct contributions and do not wish the subsidy to reduce the amount you can contribute to your Dependent Care Account, you can choose to receive the subsidy in the form of a direct taxable check.

How do I use my award if I chose the Dependent Care option?

There are three options:

1. **Sentinel's FSA Debit Card** will automatically reduce your account balance.
2. **Submit a claim request online** via Sentinel's secure website. Once logged in, select File a Claim under the "I Want To..." section, which can be located on the left-hand side of the homepage.
3. **Complete a paper claim form**, and then fax the form with receipt(s) to Sentinel's secure Flexible Spending fax line at (781) 213-7301.

Does the subsidy amount show anywhere on my W-2 form and/or is it considered taxable income?

If you chose to receive the subsidy in a direct check, taxes will be withheld from your check and reported on your W-2. The subsidy is not considered taxable income if you have chosen the Dependent Care Flexible Spending Account option. Please consult with your financial advisor should you have questions.

What should I do if I know I will not use all the subsidy money or if I leave Brown University this year?

Award money in the Dependent Care Flexible Spending Account will be automatically forfeited should you leave Brown University this year. If you opted to receive your subsidy award in a check, any balance you have left in award money that was received, must be paid back to Brown University.

Where can I find out more about the subsidy or get help with the application?

Please contact Brown University Human Resources at childcare@brown.edu with any questions about the child care subsidy.