PSC CHILD CARE TUITION ASSISTANCE APPLICATION

(Supplemental Instructions for the HHS 698, Child Care Tuition Assistance Application)

(Fiscal Year 2004)

Since October 1, 2000, the Department of Health and Human Services has had a plan offering child care tuition assistance to the extent allowed by law. The Program Support Center's program is a qualified Dependent Care Assistance Program under Section 129 of the Internal Revenue Code. Up to $5,000 *(if single head of household or married and filing jointly)* or $2,500 (*if married, filing individually)* received after that date may meet tax exempt requirements established by the IRS.

Tuition assistance is available for employees of the Program Support Center nationwide whose total adjusted gross family income is $60,000 per year or less and who have a child / children age 12 or under (or 18 and under, if physically or mentally unable to care for him / herself) in licensed child care. (Total Family Income refers to line 35 on Internal Revenue Service (IRS) Tax Return Form 1040 or line 21 on IRS Tax Return Form 1040A.) Tuition assistance will cover a portion of the child care costs incurred between **October 1, 2003 and September 30, 2004.** Benefits will be reduced by the amount of any State, county or local care subsidies you receive.

The income threshold for participation in this program is an adjusted gross family income of $60,000 or less. The maximum amount per child will be $75.00 per week regardless of income, as long as total family income does not exceed $60,000 annually, and subject to the total amount of child care cost per week. If child care costs are less than the maximum amount of tuition assistance (i.e., less than $75.00 per week), the tuition assistance will be the lesser amount. In situations where there is more than one child per family whose child care arrangements meet the eligibility requirements for the subsidy, the amount of subsidy paid will take into account the cost for each child, as well as the total cost for the family. For example, if an employee establishes eligibility for two dependents and one child's tuition is $70.00 per week and the second child's tuition is $90.00 per week, the maximum amount that may be authorized is $150.00, which does not exceed $75.00 per child.

In order to determine whether you meet the requirements for tax exemption, please refer to IRS Publication 503, Child and Dependent Care Expenses. This publication may be downloaded from the IRS Web site **(http://www.irs.gov/pub/irs-pdf/p503.pdf)** or ordered directly from IRS by calling 1-800-829-3676. You must use IRS Form 1040 or IRS 1040A and attach a completed IRS Form 2441 or IRS Schedule 2 when you file your tax return. Any amount over the $5,000 (or $2,500 if married, filing separately) and any amount received where you do not meet all of the IRS requirements as described in IRS Publication 503 will be subject to applicable Federal, State and local taxes. If you believe your subsidy is taxable and will affect your total tax liability, you may wish to change the amount withheld for taxes from your bi-weekly pay.

To apply for the PSC Tuition Assistance Program, send an application **(HHS 698)** to the Federal Employee Education and Assistance Fund (FEEA) at the address given below. FEEA may contact you to request clarification on your tuition assistance application. You must attach the following documents:

1. Pay statements for the two (2) most recent pay periods for each parent or guardian,
2. A copy of the most recent Federal and State income tax forms for each parent or guardian, AND
3. A completed OPM Form 1644 (May 2003), "Child Care Provider Information for the Child Care Tuition Assistance Program for Federal Employees," signed by your child care provider, and a copy of your child care provider's most recent license or statement of compliance with State and/or local child care regulations. The OPM Form 1644, "Child Care Provider Information for the Child Care Tuition Assistance Program for Federal Employees" form can be downloaded from the OPM Forms Web site **(http://www.opm.gov/forms/pdf_fill/opm1644.pdf)** .

*(**Note:** If care is provided by more than one child care provider, a completed OPM Form 1644 and accompanying documentation must be submitted for **each** provider.)*

FEEA/HHS Child Care
8441 West Bowles Avenue, Suite 200
Littleton, Colorado 80123-9501

Applications may be submitted anytime during the program. New, complete applications received by the contractor will be approved retroactive to the beginning of the month in which they were received, provided funding is available. If no funds are available, you will be notified and placed on a waiting list. Applications that are not fully completed or do not contain the information listed above will not be processed and will be returned to the applicant. If you do not provide all of the information requested, you will not receive a tuition assistance award. When more than one parent works for the Federal Government, tuition assistance cannot be awarded for the child / children by more than one Federal agency.

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