

## Child Care/Elder Care Reimbursement Plan



**SEIU/NAGE Local 5000**  
Trial Court of Massachusetts  
Health and Welfare Fund

### What Is Needed To Submit A Claim?

The following information is required in order for a claim to be eligible for reimbursement: A paid receipt, an invoice marked paid or a written statement from the person or organization that provide the services on appropriate letterhead and must include all of the following:

- The name of the child or children the services have been provided for
- The type of service provided *e.g.*, daycare, preschool, camp, before and/or after school care, etc.
- The dates of service (from/to), NOT PAYMENT DATES
- Total amount paid for services provided
- The provider's signature
- The provider's name and complete address

Any paid receipt missing any of the above information or required signatures will be returned to the member.

### What Is Unacceptable Proof Of Payment?

- A receipt or written statement created by the member and signed by the provider
- Payment history statements
- Copies of cancelled checks



### How Will The Benefit Work?

You may submit eligible expenses on a monthly basis and you will be reimbursed up to a maximum of \$750.00 per plan year. The Plan Year for the Child Care/Elder Care Reimbursement Plan is July 1 through June 30. Initially, you will be reimbursed up to a maximum of \$500.00 for the July 1, Plan year. The remaining eligible claims will be processed for an additional reimbursement up to a maximum of \$250.00, provided that the total eligible expenses submitted to the Fund by all members for the Plan year have not exceeded \$225,000.00. Depending on the amount of the claims received, the remaining eligible expenses for reimbursement may be proportionally reduced.

The formula for determining the prorated amount will be as follows:

- (a) The remaining balance of the \$225,000.00, after all the \$500.00 reimbursements have been issued, divided by the number of eligible claims.
- (b) The reimbursement per member, to a maximum of \$250.00, will be the remaining reimbursement.

Example: *Assuming on June 30, 2016 that 304 eligible members were reimbursed \$500.00 and there were 304 claims eligible to receive the maximum reimbursement of \$250.00.*

- (a)  $304 \times \$500.00 = \$152,000.00$
- (b)  $\$225,000.00 - \$152,000.00 = \$73,000.00$
- (c)  $\$73,000.00/304 \text{ eligible claims} = \$240.13$

No claim will be processed without a completed claim form and paid statement signed by the provider. Please Note: The claim form and the paid receipt must both be signed by the provider.

All claims for services each plan year must be post marked not later than the following July 31st. No reimbursement will be issued retroactively for any claim received by the Fund Office after that date.

In accordance with the Internal Revenue Service (IRS) guidelines, reimbursements for child care/elder care expenses can be made only after the care has been provided and not when you are billed, charged, or pay for services.

Please note that the NAGE/SEIU Local 5000 Trial Court of Massachusetts Health and Welfare Fund will be required to report your reimbursement amount to both you and the IRS each year on an IRS Form W-2.

### Is There A Limit On Child Care/Elder Care Benefits?

All benefits payable under this Program and any contributions you make to a dependent care spending account must be taken into account in determining whether you are exceeding the legal limit on tax-free dependent care benefits.

Member should be aware that benefits under all dependent care plans, including this plan, cannot exceed the lesser of:

- \$5,000 if you are a single or married and file a joint income tax return
- \$2,500 if you are married and file a separate income tax return
- Your earned income, if single
- If you are married, the earned income of the spouse who earned the lesser amount during the calendar year.

Be sure to sign and date your claim form. Keep a copy of the completed form and attachments with your records. Claim forms are available from the Fund Office.



## Child Care/Elder Care Reimbursement Plan

The Child Care/Elder Care Reimbursement Plan provides reimbursement up to a maximum of \$750.00 for eligible work-related dependent care expenses for your eligible dependents as defined below.

### Who Are Eligible Dependents?

Eligible dependents, for the purpose of the Child Care/Elder Care Reimbursement Plan include:

- Your “qualifying child” who has not attained age 13; or
- Your spouse, “qualifying child” or “qualifying relative,” provided the person is physically or mentally incapable of self-care, and has the same principal place of abode as you for more than one-half of the taxable year.

The terms “qualifying child” and “qualifying relative” are defined in section 152 of the Internal Revenue Code (IRC), and the applicable requirements set out in IRC section 152 must also be met. A “qualifying child” is generally a child who lives with you for more than half the year and who does not provide more than half of their own support. A “qualifying relative” is generally a relative who receives more than half of his or her support from you and is not the “qualifying child” of any other taxpayer. If you have a question about whether a person meets the required terms, you should contact your tax advisor.

### What Are Eligible Expenses?

Eligible expenses that qualify for reimbursement include dependent care expenses incurred on behalf of the eligible dependents. The following lists some examples:

- Care at a daycare center that complies with all appropriate state and local regulations, including before/after school care.

- Care by a housekeeper whose duties include dependent care.
- Care by a relative who cares for the member’s dependents, so long as the relative is not another one of the member’s dependents. (For example, a member cannot be reimbursed for paying their 16-year old child to care for their 2-year old infant.)
- Care for an elderly or incapacitated spouse or dependent, either in the member’s home or outside of the member’s home. If the member is claiming reimbursement for care outside of his or her home, the dependent must spend at least eight hours each day in the member’s care.
- Care at a day camp to which the member sends his or her school-aged children during school vacations or after school hours for work-related dependent care expenses.
- Amounts paid to your child under age 19 or to any person who can be claimed as a dependent on your federal income tax return
- Expenses for entertainment or enrichment (e.g., after school sports, dance lessons, education or enrichment programs such as summer school, computer classes, tutoring or music classes)

### What Are Non-Reimbursable Child Care/Elder Care Expenses?

The following are some examples of expenses that do not qualify for reimbursement under the Child Care/Elder Care Reimbursement Plan:

- Dependent care that allows you and your spouse to participate in leisure time activities or take vacations
- Expenses claimed as a tax credit on your federal income tax returns
- Expenses incurred so that you and your spouse can perform volunteer work
- Food, clothing, transportation, overnight camp, entertainment and field trips
- Kindergarten
- 24-hour nursing homes

### What Expense May Qualify for Reimbursement?

The following information relates to some expenses that may qualify for reimbursement under the Child Care/Elder Care Reimbursement Plan, as described below:

#### Parents Working at Night

If one parent works during the day and the other works at night and sleeps during the day, expenses for care while the second parent is sleeping may be reimbursable. Similarly, if a child’s parent works at night and pays for overnight care while working, those expense may also be reimbursable.



#### Temporary Absences

Dependent care expense for a period in which the employer is absent from work are generally not employment-related expenses. However, short, temporary absences from work (such as for minor illness or vacation) are disregarded provided the care arrangements require you to pay for care during the absence. An absence of not more than two consecutive weeks is temporary; whether a longer absence will be considered temporary will depend on the facts and circumstances.

#### Part-Time Work

If you work part-time, you must allocate expenses between days worked and not worked. However, if you are required to pay for dependent care on a weekly or longer basis, you are not required to allocate the expenses. Working at least one hour is considered a day of work.

#### Divorced or Separated Parents and Parents Living Apart

When a child’s parents are divorced, separated or live apart during the last six months of the year, the child is treated as the qualifying individual of the custodial parent only. The custodial parent is the parent with whom the child lives for the greater portion of the year. As a result, the custodial parent is the only parent who can seek reimbursement from the Child Care/Elder Care Reimbursement Plan.

### What Are Work Related Child Care/Elder Care Expenses?

To be work related, your eligible expense must allow you to work or look for work. If you are married, generally both you and your spouse must work or look for work. Your spouse is treated as working during any month he or she is a full-time student or is physically or mentally not able to care for him or herself.

Work also includes actively looking for work. However, if you do not find a job and have not earned income for the year, these expenses do not qualify as work related expenses.