CALIFORNIA INSTITUTE OF TECHNOLOGY
2016 Child Care Assistance Program

OVERVIEW/POLICY

Caltech recognizes that the cost of quality child care poses a financial burden to many members of its community. To help employees, postdoctoral scholars and graduate students afford child care expenses, the Institute has established a Child Care Assistance Program (CCAP), which provides assistance of up to $4,000 per year per family to those who meet certain qualifications. The Institute’s CCAP office determines eligibility for, and amount of, CCAP assistance based on eligibility criteria and information provided in applications.

Applications for CCAP assistance may be submitted during the specified application period. Assistance will be awarded to eligible applicants whether or not their Caltech status and/or income sources qualify for tax-favored status. To the extent possible, assistance must be coordinated with the Institute’s Dependent Care Spending Account (DCSA) program. In those circumstances, such assistance is provided to Caltech employees as a non-taxable benefit.

Some eligible participants (e.g., certain postdoctoral scholars who have only fellowships, and all graduate students) are not eligible to receive CCAP funds on a pre-tax basis. Assistance provided to those program participants will be treated as taxable income.

HOW DOES THE PROGRAM WORK?

Caltech’s Child Care Assistance Program is designed to assist eligible members of the Community to pay for the costs of covered child care, including infant and toddler day care, pre-school/pre-K programs, school holidays, summer day camps/programs, and before/after school care. Eligible applicants may receive assistance of up to $4,000 per family to help pay for those child care costs. Eligibility for and the amount of assistance, if any, will be based on:

- The applicant’s Caltech gross income,
- The applicant’s household gross income,
- The age(s) of eligible child(ren), and
- The number of eligible child(ren).

In most cases, if an applicant is awarded CCAP assistance, the applicant will be automatically enrolled in the Institute’s Dependent Care Spending Account program, and the award will then be deposited into her/his Dependent Care Spending Account. The assistance recipient is responsible for paying her/his child care provider and then requesting reimbursement, with appropriate receipts, from their DCSA for incurred eligible expenses.
WHO IS ELIGIBLE?

1. Participant Eligibility. The following Caltech employees are eligible to apply for CCAP assistance.
   - Faculty
   - Benefit eligible staff members
   - Postdoctoral Scholars
   - Graduate Students
   - New employees (must apply within 31 days of hire date)

   An applicant must also:

   Be unmarried, or have a spouse / same-sex domestic partner who is:
   - Employed at least 50% time, or
   - A full-time student, or
   - Considered legally disabled as defined by the Internal Revenue Code.

2. Child(ren)’s Eligibility: To be considered eligible, a dependent child must have been born on or before the application deadline and be ten (10) years of age or younger on January 1 in the upcoming CCAP assistance year. If the child turns age eleven during the year in which assistance is awarded, child care reimbursements will continue to be paid for eligible child care expenses incurred for that child during the balance of the year, up to the CCAP assistance amount. “Dependent children” include biological children, legally adopted children, stepchildren, and any other children for whom the applicant is the legal guardian or for whom the applicant has court-awarded custody or who are claimed as dependents on her/his household income tax returns.

3. Income: To be eligible for CCAP assistance, an applicant’s projected single annual income during 2015 can be no greater than $93,964 and projected family (parents) income for that period must be no greater than $115,000.

4. Eligible Expenses: CCAP assistance may be awarded to help defray expenses for child care secured through one of the following providers:

   Licensed (by the California Department of Social Services or comparable agency of the state from which the application is being filed) providers such as a child care center, an infant care center, a nursery school, a day camp, a child care center for mildly ill children, a toddler component of an infant care center, or an after school program. Child care for Caltech employees who work in locations outside of California must be secured through entities that have been licensed by an appropriate regulatory agency of the state where the child care provider is located. An in-home child care provider, excluding the parents and siblings, with a Social Security or Tax ID number.

Note: Further details regarding the eligibility for reimbursement, including information on expenses that are NOT eligible for reimbursement, can be found in the Caltech Benefits Handbook, Sections 6.8 and 6.9, under “Dependent Care Spending Account”.

CCAP Program 2 09/2015
FINANCIAL NEED

To be considered for CCAP assistance one must satisfy the Plan’s income requirements. The program determines need and makes awards primarily on the basis of family household gross income. Household gross income is based on the following:

- The adjusted gross family income as reported on the applicant’s or spouse/domestic partner’s income tax return.
- Current income of the household’s principal wage/salary-earners.

*Adjusted gross income* is the amount shown on line:
- 35 of Internal Revenue Service form 1040 or
- 21 of Internal Revenue Service form 1040A or
- 4 of Internal Revenue Service form 1040EZ or
- I of Internal Revenue Service form 1040 Telefile, and is for the tax year immediately preceding the year during which one makes application for a CCAP assistance. If the applicant is married and files a tax return separate from that of her/his spouse, or the applicant is in a same-sex domestic partnership, she/he will be required to submit copies of all relevant tax returns to demonstrate household Adjusted Gross Income.

*Current income* is based on the gross earnings shown on the most recent pay stubs/advises of each principal wage/salary-earner in the applicant household, multiplied by the annual number of pay periods. For self-employed spouses/domestic partners, the earnings will be the taxable income estimated for the purpose of quarterly tax payments. When applying for CCAP assistance, one must submit copies of her/his Caltech pay stubs/advises for the two most recent pay periods, and, if applicable, copies of pay stubs/advises for each household earner.
APPLICATION PERIOD

There will be one application period for the 2016 CCAP assistance year. All assistance is paid on an annual basis. Eligible participants must re-apply every year, whether or not they may have received CCAP assistance in a previous year. The application period is as follows:

<table>
<thead>
<tr>
<th>APPLICATION PERIOD</th>
<th>EFFECTIVE DATE</th>
<th>APPLICATION DEADLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1 to September 30, 2015</td>
<td>January 1, 2016</td>
<td>September 30, 2015</td>
</tr>
</tbody>
</table>

Most CCAP awards will be deposited in the participant’s 2016 Dependent Care Spending Account in early January 2016. Graduate students receive their CCAP awards in February 2016.

Applying After the Application Period

If, after the 2016 CCAP awards are made, one is newly hired at Caltech or becomes a Graduate student they may apply for a CCAP award within 31 days of joining Caltech.

If you add a new child dependent to your family you may apply for CCAP assistance, or additional assistance if they are already a CCAP participant, when they meet the eligibility requirements as noted in Section 6 of the Caltech Benefits Handbook (see Change in Status Events and DCSA eligibility).

For the addition of a new eligible child the award will be determined as of the date both parents or same sex domestic partners return to work or school after the addition of the new eligible child (birth, marriage, adoption etc.).

Any CCAP assistance awarded after January 1, 2016 will be prorated based on how many months are left in the calendar year.

If CCAP assistance is made outside the application period because of any of the reasons noted above and you are not already a Caltech DCSA participant, the Caltech Benefits Office will automatically enroll you into the DCSA program. In the case of adding a new eligible child one must submit evidence that they have acquired a new dependent as a result of marriage, birth, or adoption within 31 days of the qualifying event.

Note: Please refer to “Annual Limits” on Page 5 to learn more about the limits associated with both CCAP awards and DCSA annual maximum contributions.
ANNUAL ASSISTANCE AMOUNTS

The chart below shows the estimated assistance awards for the 2016 CCAP Program year. Award amounts are calculated based on the age of your youngest dependent child. The maximum CCAP award is $4,000.

<table>
<thead>
<tr>
<th>Family Adjusted Gross Income¹</th>
<th>Estimated Assistance for a Child up to 17 Months Old²</th>
<th>Estimated Assistance for a Child Ages 18 Months to 4 Years Old²</th>
<th>Estimated Assistance for a Child Ages 5 to 10 Years Old²</th>
<th>Assistance for each additional child age 10 and under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $39,999</td>
<td>$4,000</td>
<td>$3,250</td>
<td>$2,500</td>
<td>$1,000</td>
</tr>
<tr>
<td>$40,000 to 59,999</td>
<td>$3,250</td>
<td>$2,500</td>
<td>$1,750</td>
<td>$1,000</td>
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<tr>
<td>$60,000 to 84,999</td>
<td>$2,500</td>
<td>$1,750</td>
<td>$1,000</td>
<td>$750</td>
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<tr>
<td>$85,000 to 115,000</td>
<td>$1,750</td>
<td>$1,000</td>
<td>$750</td>
<td>$750</td>
</tr>
</tbody>
</table>

ANNUAL LIMITS

Wherever possible, the Institute coordinates the Child Care Assistance Program with its Dependent Care Spending Account (DCSA) program, which makes it possible for eligible participants to set aside up to $5,000 of income per year to be used on a pre-tax basis. The maximum allowable annual CCAP assistance per family including those for multiple children and special needs is $4,000. Furthermore, the combination of CCAP assistance funds and additional amounts an individual may contribute to the DCSA cannot exceed $5,000. For example, if an applicant is awarded a CCAP assistance of $2,500, they may elect to contribute up to an additional $2,500 of their eligible income to their DCSA. To make additional DCSA contributions, one must elect the annual amount during the annual open enrollment period, or within 31 days after acquiring a new dependent. Notices of CCAP awards made following the application period will be communicated to assistance recipients in time for participants to make their DCSA elections prior to the beginning of the Program year.

Note: the current annual tax-advantaged DCSA maximum allowed by the IRS is $5,000. That means the total of CCAP assistance funds, and personal income directed to a DCSA may not exceed $5,000, both at Caltech and through a spouse’s employer combined.

For further information on DCSA limits see Section 6.8 of the Benefits Handbook

¹ Based on the submission of prior year’s Federal tax returns and current pay stubs/advises.
² A total annual CCAP assistance may not exceed $4,000, regardless of the number of children claimed, and/or special needs.
In some circumstances, if the income paid to a CCAP applicant by the Institute is not eligible under IRS guidelines for direction to a Dependent Care Spending Account the CCAP awards will be subject to all applicable taxes, but will be administered via the same reimbursement process as those considered to be tax-free.

ESTIMATING CCAP ASSISTANCE

Eligibility for a CCAP assistance is based on annual household gross income, and the age(s) of the child(ren) in care. To determine one’s estimated CCAP assistance:

1. Determine total adjusted gross family income, and find the appropriate income range on the chart;
2. Determine the age, as of January 1, 2016, of the youngest child who will be enrolled in a licensed child care facility on that date;
3. Locate the eligible CCAP assistance amount from the appropriate columns of the chart based on the projected adjusted gross family income and the age of the youngest child as of January 1, 2016;
4. For additional children under age 10, add $750 to $1,000 per child (see chart on page 5), based on the level of expected adjusted gross household income during 2015. Please note that the total annual CCAP assistance cannot exceed $4,000.

PRORATING CCAP ASSISTANCE

CCAP Assistance will be prorated to take the following circumstances into account:

1. If a child will be moving from one age group to another during 2016, the award will be determined based on the age of the child on January 1, 2016. There will be no proration.
2. CCAP assistance amounts expressed in the preceding chart are based on full-time employment. Assistance will be prorated for eligible community members who are scheduled to work less than full-time, based on their scheduled hours per week. CCAP assistance amounts are expressed assuming the child(ren) is enrolled in an eligible child care center on full-time basis. Assistance will be prorated for child(ren) enrolled less than full-time.
APPLICATION PROCEDURES

Applications for the 2016 CCAP Program may be submitted between September 1 and 30, 2015.

To apply:

1. Complete the application form.
2. Attach copies of the two most recent pay or deposit stubs for each income earner in the household, or, if self-employed, the most recent Income Tax Schedule C or 1099.
3. For each household income earner, also attach copies of your 2014 Federal Income Tax Return.
4. Submit the completed application form along with required income verification via U.S. Mail or inter-office mail to:

   The Caltech Child Care Assistance Program (CCAP)
   1200 E. California Boulevard
   Mail Stop 161-84
   Pasadena, CA 91125

As noted above, CCAP Assistance applications for 2016 must be received by September 30, 2015. Assistance is awarded annually and is not a guarantee of assistance in future years. Faxed, e-mailed, “drop-in,” and late applications will not be accepted. For more information, please e-mail ccap@caltech.edu.

Personnel in Caltech’s Child Care Assistance Program Office will review and process all CCAP assistance applications. Personnel from that organization will verify eligibility, income, and child care information. They will also notify applicants, in writing, of award amounts, if any, in sufficient time to determine how much of the applicant’s own money may be directed into their 2016 Dependent Care Spending Account. All information, except the amount of the award which will be administered through the Caltech Payroll and Benefits Offices, will be kept confidential.