



Child Care Supports Workers!

What Can Employers Do?

Child care is a central part of the infrastructure for economic development in Tompkins County. When employers support child care not only are they supporting their employees, but also the economic development of the county. Improving access to affordable, high quality child care has been shown to reduce employee turnover and increase productivity. Employers who invest in child care for their employees find savings in taxes and productivity gains, outweigh the costs. Bank of America and Con-Agra Refrigerated Foods found turnover among employees participating in their child care benefits program was reduced by half. Levi Strauss & Company uses its child care benefits package to attract skilled employees.

Employers can play a role in advertising existing benefits, designing programs to fit their own and their employees' needs, and advocating for change in government policy. More detailed brochures describing these programs are available on the web site below.

Flexible Spending Accounts for Dependent Care:

Employers can create these individual pre-tax benefits accounts for their employees. An employee decides how much to set aside each year for child care. The employer decreases the employee's income by that set amount and places the money in the Flexible Spending Account. The employee then withdraws the money by submitting receipts for child care. Employers benefit because they are not liable for payroll taxes for money in the accounts. Also, costs of implementing the plan are tax deductible. Employees benefit because the money in the account is free from Medicare, Social Security, and Federal and State Income taxes, a savings of up to \$2500. You can create Flexible Spending Accounts and encourage their use through effective program design as well as information campaigns to employees. Contact Alene Wyatt at the Day Care and Child Development Council at 273-0259 for more information.

Tax Credits:

Employers can encourage employees to use Child and Dependent Care Tax Credits. Families can receive both a federal income tax credit and a New York state income tax credit. The state credit is refundable - if it is more than the tax a family owes, they actually get money back from the state. Employees who earned income and paid for child care can qualify. For more information go to <http://www.irs.gov> or <http://www.tax.state.ny.us>.

Government Support for Child Care:

Lower wage workers (families earning less than \$23,880 annual income for a family of 2 or \$30,040 for a family of 3) are eligible to receive government subsidies to cover their child care costs. Employers should advertise these monies to eligible employees. These subsidies are especially important for lower wage retail and service employers. Contact the Tompkins County Day Care Unit at 274-5219 or the Day Care Council at 273-0259 for more information.

Employer Sponsored Child Care:

Employers can provide their own money to support child care. Cornell University began a new child care grant for its employees in 2002. The program is run through Cornell's Flexible Spending Account, thus making the funds tax-free. Employees have been able to increase the quality of their child care due to the grants. For more information contact the C.U. Human Resources Office at 255-6873.
