



Department of  
Veterans Affairs

OFFICE OF HUMAN RESOURCES AND ADMINISTRATION  
WORKLIFE AND BENEFITS SERVICE (058)

**Fact Sheet – Child Care Subsidy Program**

- Purpose:** To assist lower income employees with the cost of child care.
- Eligible Employees:** All full-time and part-time VA employees who meet the salary criteria.
- Employee Requirements:** To be eligible to participate in the program, employees must:
- Be a full-time or part-time VA employee;
  - Have a total family income below \$60,000; and
  - Place their child(ren) in a licensed state or locally regulated day care, home care, or before/after school program.
- Child Requirements:** Children from birth through the age of 13 and children through the age of 18, if disabled, are eligible. For this program, a child is defined as:
- A biological, adopted, step or foster child who lives with the Federal employee;
  - A child for whom a judicial determination of support has been obtained;
  - A child to whom the Federal employee is a parent or legal guardian and makes regular and substantial contributions to the child's care.
- Maximum Subsidy:** The maximum subsidy amount for most VA employees is \$600 per month. Full-time VA employees whose total family income is \$34,999 or less and who are receiving child care subsidy for three or more children may receive up to a maximum of \$800 per month.
- Tax Implications:** There are tax implications when receiving child care subsidy (plus dependent care flexible spending account deductions, if applicable), greater than \$2,500 per year if married and filing separately, or \$5,000 per year if married filing jointly, single or head of household. Employees should consult their tax advisor for a detailed explanation of how this subsidy affects their particular situation.
- References:**
- Public Law 106-58, Treasury and General Government Appropriations Act, 2000, Section 643, September 29, 1999.
  - Public Law 107-67, Treasury and General Government Appropriations Act, 2002, Section 630, November 12, 2001.
  - 26 U.S.C. 129, Dependent Care Assistance Programs.
  - 5 CFR 792, Federal Employees' Health and Counseling Programs.