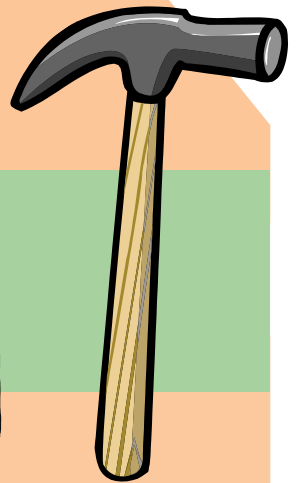
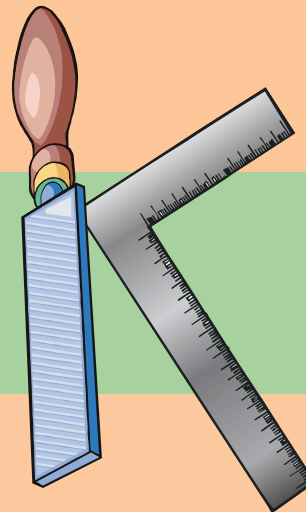
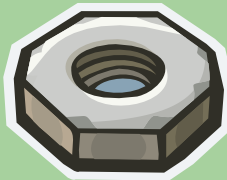
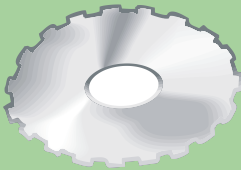
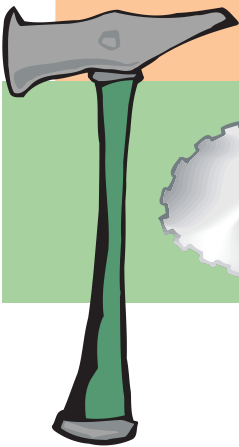


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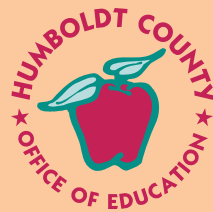


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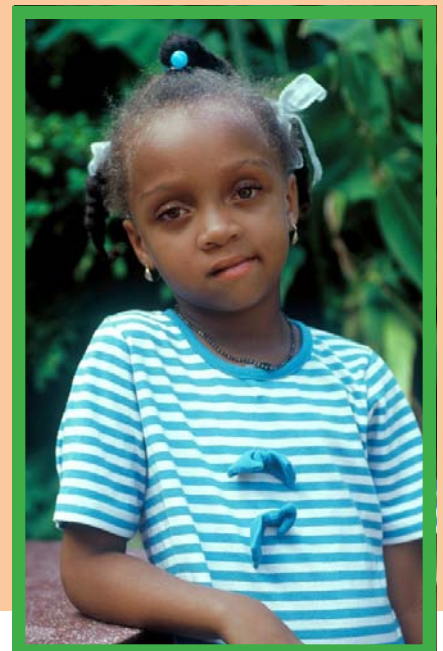


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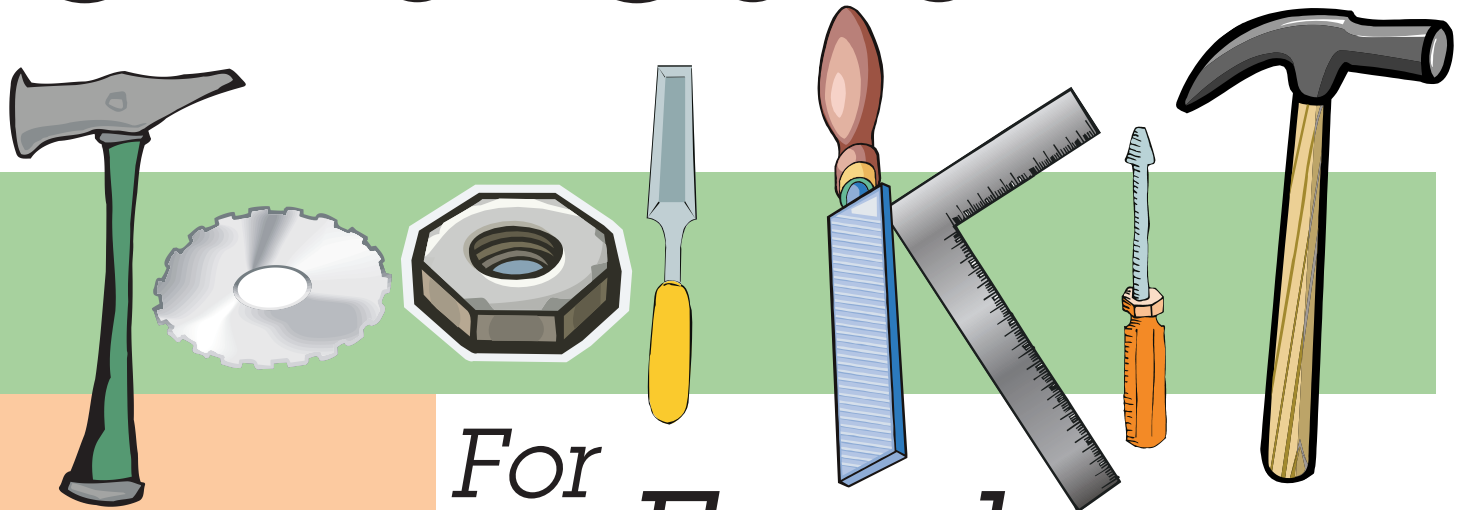
Employers



Garry T. Eagles, Ph.D.
Superintendent



Child Care



For *Employers*

The Local Child Care Planning Council would like to provide information on ways you, as an employer, can help ensure your employees have their child care situations covered.

As an employer, having the most productive workforce possible is important.

Ensuring employees child care needs are met is one way to support employees, reduce absenteeism, and reduce turnover. Studies have shown that employees who are not worried about their child care arrangements are better, more productive employees.

Providing easy to read information about parenting issues, child development concerns, and directing employees to local agencies and resources is the best way to assist families who are seeking child care, and child-related support.

Another way to provide support is by creating a space in an employee break room to post information pertaining to programs and resources that may be of interest to workers with families. Paycheck stuffers and company bulletins also serve as a good form of communication to employees and their families. Employers may also provide space and opportunities for employees to get together and talk about their child care situations and their plans for back-up care.



Flex-Time and Leave Policies

While not all of these options are possible for all types of employers, with some creativity employers and employees can work together to accommodate schedules, which may allow employees to attend important events, manage their child care situations and make the occasional visit to the doctor.



Flex-Time Options

- **COMPRESSED TIME** - Full-time work with more hours per day, but fewer days per week.
- **FLEXIBLE SCHEDULING** - Employees adjust their arrival and departure times around designated “core hours” or a certain number of hours per day or week.
- **JOB SHARING** - Two or more people share one full-time job.
- **PART-TIME OPTIONS** - Part-day, part-week, part-month, or part-year work involving prorated pay and benefits.
- **TELECOMMUTING** - Employees work from home one or more days a week.
- **VACATION DONATION PROGRAM** - Start a vacation bank to allow employees to donate their unused vacation time for employees in catastrophic situations and incorporate child care challenges as part of the criteria for using this bank.



Leave Policies

- **EXTENDED PARENTAL LEAVE** - Time off for the birth or adoption of a child or to care for a child with serious health problems.

Leave time may be paid or unpaid and the policy provides guarantee of same or equivalent job when returning to work.

- **USE OF SICK LEAVE FOR FAMILY ILLNESS** - Employees who receive a varying number of paid sick days can use these days to care for any ill family member. (Labor Code 233 requires any employer who provides sick leave for their employee to also allow the employee to use these days to attend to a sick child, parent, spouse or domestic partner of the employee.)
- **PERSONAL LEAVE** - Allows employees a specified number of days (with or without pay) to deal with unexpected, short-term emergencies.



Advantages:

- Reduces employee stress and absenteeism and improves morale and productivity.
- Reduces nonproductive work time
- Expands pool of potential employees; enhances recruitment and retention of employees.
- Retaining happy and productive employees makes good business sense and saves a company money—recruitment and training take time and money.
- Making changes and expanding non-direct compensation benefits to your employees enhances your work environment, and promotes your business as an employee friendly employer!

Considerations:

- May require greater planning and control over work flow on the part of managers and work teams.
- May disrupt work flow if not carefully planned.
- Administrative costs may be high when an option is first implemented, depending on existing systems.
- May require manager training to effectively implement.



Child Care Facts and Figures

Child care programs are a significant expense for families in any income bracket. In Humboldt County, the average annual cost for full-time licensed home-based child care for an infant is \$6,400, and full-time center-based care for preschoolers and school-age children costs \$5,500. Full-time unsubsidized child care center costs for infants, preschoolers, and school-age children are more than the undergraduate tuition for California residents at Humboldt State University (\$2,536 for two semesters). For a family at the county's median family income (\$39,370) with an infant in full-time home-based care, these costs take up 16 percent of the total family budget. For a family at median income that has both a preschooler and infant in full-time care, these child care costs take up more than 30 percent of total income. Families are likely to have fewer resources when parents and children are young, thus increasing the child care burden for families when they need it. (The Economic Impact of the Child Care Industry in Humboldt County prepared by the National Economic Development and Law Center, 2004).



Financial Support for Employees

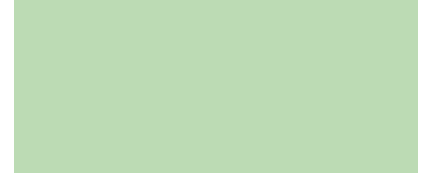
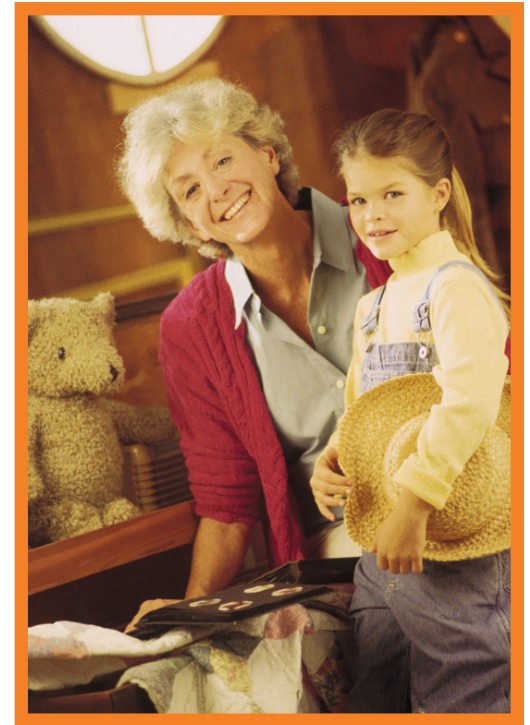
As a result of the high cost of child care, parents may select unstable arrangements for their child care needs. This creates greater stress, reduces their effectiveness at work, and may compromise their child's development. Employers can help families with child care costs in a number of ways.

- **DEPENDENT CARE SPENDING ASSISTANCE PLAN** - Dependent Care Assistance Programs (DCAP's) are a specialized type of Flexible Spending Account or IRC Section 125 Fringe Benefit Plan. Under a DCAP, employers can provide eligible employees up to \$5,000 per year in tax-free child care benefits. The program may be offered as an option in a cafeteria plan or independently. The money is set aside from the employee's pre-tax salary and accessed through reimbursement, child care vouchers, or care provided in an outside facility or the employer's own facility. Employees do not have to pay federal



income, Social Security, or Medicare taxes on the money set aside under the DCAP. In California, employees may be eligible for the Dependent Care Credit based on the amount actually spent on child care. Employers do not have to pay federal unemployment, Social Security, or Medicare taxes on the money set aside under the DCAP. In addition, funds set aside under DCAP are still deductible as paid wages. Employers in California can also claim a 30% state tax credit on money set aside under the DCAP up to a maximum of \$360 per child (not employee). Contact the IRS and the Franchise Tax Board for current tax law.

- **FLEXIBLE BENEFIT PLANS** - Also called a “cafeteria plan,” these plans allow employers to offer a range of benefits. Employees choose from a menu of benefits and customize their benefits package. For example, some employees may have health insurance provided by a spouse’s employer and may choose a child care benefit instead.



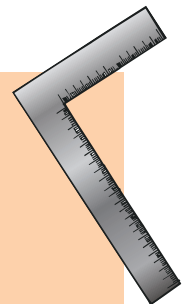
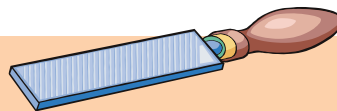
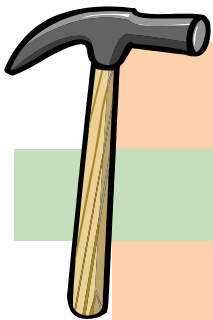
- **CHILD CARE VOUCHERS OR REIMBURSEMENTS** - An employer can offer employees a child care allowance or subsidy that families can use toward a child care arrangement of their choice. The employer contribution can be a percentage of the total cost of care, a flat amount for all participating employees, or determined by a sliding scale based on a family’s income.
- **CHILD CARE VENDOR PLAN** - An employer or group of employers contracts with a local child care program to reserve slots for company employees. The employers pay a portion of the employee’s child care costs directly to a child care program, which reduces the employee’s direct payment of child care costs, and allows more net disposable income for the employee, while allowing them to afford quality child care for their family.

Advantages of a DCAP:

- Low administrative/implementation costs.
- Reduction in employer costs through tax benefits.
- Any size company can implement.

Considerations of a DCAP:

- Child care costs often exceed the \$5,000 allowed under a DCAP.
- DCAPS generally will not provide tax savings to those making under \$25,000 per year.
- Many families will not be able to take advantage of a system that uses reimbursements.
- Quality child care must be available in the area needed.
- Employee must use the money in their DCAP plan by the end of the year or they forfeit it (money left over at the end of the year goes back to the employer).
- Employees may find the program confusing.



Local Resources

See the enclosed handout with listed resources, descriptions of services and contact numbers. As with all the information in this publication, it is subject to change, and the Local Child Care Planning Council will periodically send out revised lists.



For further information

or to update the information contained in this document, contact The Local Child Care Planning Council at 707-445-7006.

www.humboldt.k12.ca.us/lccpc

