

University of California

Graduate Student Researcher (GSR) Child Care Reimbursement Program

For UAW-represented Student Employees

Factsheet

University of California Academic Student Employees (GSR) represented by the United Auto Workers (UAW) are eligible for reimbursement of some child-care expenses through a program established in Article 4 of the collective bargaining agreement between UC and the UAW. The program described below is effective beginning June 21, 2014.

Program Overview

Each eligible GSR may receive up to \$1,100 per quarter or \$1,650 per semester for expenses incurred during the ASE's appointment period during the regular academic year. An employee must have a valid GSR appointment for a minimum of 25 percent time for the duration of the term for which reimbursement is submitted.

In addition, an GSR who meets the standard eligibility criteria for a summer session appointment can be reimbursed up to \$1,100 for eligible expenses incurred during the summer session terms. The \$1,100 maximum applies regardless of the number of summer terms an GSR may work in a calendar year. To be eligible for reimbursement during the summer term, the GSR must also be a registered student in the regular academic terms preceding and following the summer session appointment.

Eligibility

An eligible GSR is a registered student with at least a 25 percent GSR appointment who has (a) qualified dependent(s). For the purposes of this program, qualified dependents are children in the custody of the GSR who are 12 years old or under as of July 1st for the following fiscal year which includes the current summer session and the new academic year.

Reimbursement Process

The child-care reimbursement is paid through payroll as taxable earnings to the GSR. At end of a quarter or a semester, or when the maximum reimbursement amount has been reached during the term, the GSR completes a *Graduate Student Researcher*

(GSR) Child Care Reimbursement form (UBEN 254) and submits it with applicable child care provider receipt(s) to his/her hiring departmental personnel officer. The UBEN 254 form is available on UCnet (ucnet.universityofcalifornia.edu/forms/pdf/uben-254.pdf).

Submitting a Reimbursement Form

Reimbursement requests for expenses must be submitted after the expenses are incurred. Reimbursement requests should be submitted via the UBEN 254 form based on campus specified deadlines but no later than the last day of the following term.

The GSR will be required to certify on the reimbursement form that the expense is not being claimed under both the GSR Child Care Reimbursement and the GSR Dependent Care programs.

Once a UBEN 254 is submitted, the hiring department personnel office certifies that the form is complete, that the employee has/had an appropriate appointment as an GSR and that the applicable documentation is attached.

Note: Two GSR employees may not each claim the credit for the same provider care for an eligible child unless the provider care exceeded the term dollar limit of \$1,100 per quarter or \$1,650 per semester. The second GSR employee may claim the additional expense reimbursement. For example, if the reimbursable amount for child-care totals \$3,500 in the academic year, the first GSR may claim \$3,300 (3 quarters at \$1,100 or 2 semesters at \$1,650) and the second GSR may claim \$200.

An GSR employee who is eligible for the GSR Dependent Care program cannot submit receipts for the same expense for both GSR Child Care Reimbursement and GSR Dependent Care program.

The reimbursement will usually be in the same form as the GSR normally receives pay, i.e. check or electronic deposit. If an GSR is no longer actively employed at the time of the reimbursement, then a paper check will be issued.

Questions and Answers

1. What is the age limit for a qualified dependent?

The GSR Child Care Reimbursement program covers children up to the age of twelve (12) years old, provided they are 12 or under on July 1st. If the child qualifies on July 1st, the GSR can claim the child for the following academic year and for the current summer session(s).

Example: The child's birthday is July 2nd. On July 1st, the child is 12. The GSR can submit reimbursement for that summer session and for the Fall, Winter and Spring terms following, provided the GSR meets the eligibility criteria.

2. How will the age of the child be verified?

The GSR will be required to show proof of birth by presenting either the child's birth certificate or passport and identification showing the child is a qualified dependent.

3. How is applicable child care provider defined?

The child care provider must have a valid tax I.D. or Social Security number. If the center cares for six or more dependents who are not residents, it must comply with all state and local licensing laws and applicable regulations. Child care provided by the spouse, a child of the GSR under age 19, a friend or relative living in the same household as the Graduate Student Researcher or someone else the GSR claims as a dependent for tax purposes is not reimbursable.

4. Are summer camps or other summer enrichment programs applicable child care programs?

If the summer program meets the criteria noted in question 3, then the program will be treated as an applicable child care program. It is the ASE's responsibility to produce applicable documentation for reimbursement.

5. How will the reimbursement be taxed?

Federal tax will be at 25 percent, state tax at 6.6 percent. Defined Contribution Plan contributions and Medicare tax will be deducted, if applicable.

6. How will I receive my reimbursement?

The reimbursement will be processed through the payroll department and will be provided in the same

manner in which you usually receive payment, either direct deposit or a paper check. If the reimbursement is processed more than 30 days after an GSR no longer has an active appointment, then the reimbursement will probably be via a paper check.

7. Will the \$5,000 GSR Dependent Care limit be reduced by amounts reimbursed under the GSR Child Care Reimbursement program?

GSR members may participate in both child care reimbursement programs. Because the reimbursements paid to the GSR members under the GSR Child Care Program will be treated as additional wages, such reimbursements will not reduce the maximum pre-tax amount that can be deducted from the employee's paycheck under the GSR Dependent Care program.

8. Why is the child care reimbursement taxable?

The GSR Child Care Reimbursement Program does not meet IRC dependent care assistance program requirements as a nontaxable program; therefore, the reimbursements under this program are treated by the IRS as additional wage income.

9. Can I claim the child care credit on my tax form?

Potentially yes. Even though the reimbursements received under the GSR Child Care Reimbursement Program represent taxable wages to the employees, the amounts paid by the GSR employees for child care services may be eligible for the "dependent care services" tax credit set forth in Section 21 of the Internal Revenue Code.

The amount of the dependent care services tax credit that can be claimed depends on the individual's adjusted gross income and cannot exceed \$3,000 for one child or \$6,000 for two or more children in any single tax year. The dependent care services tax credit is subject to a number of different requirements. More information is available in IRS Publication 503, which can be found on the IRS website at: www.irs.gov/pub/irs-pdf/p503.pdf

You should consult with your tax advisor in determining whether you are eligible to claim this credit.

10. How is a 25 percent appointment defined for purposes of this program?

An GSR must be appointed so that over the term of the appointment the average time is at least 25 percent. An GSR might be appointed for 50 percent time for one-half of the term, which would result in the average over the term being 25 percent.

11. Will the child care reimbursement affect my eligibility for financial aid?

It is possible that the child care reimbursement might impact eligibility for financial aid. It is the responsibility of the GSR to inform the appropriate agencies and offices of the child care reimbursement.

12. Who is responsible for processing the *Academic Student Employee (GSR) Child Care Reimbursement form (UBEN 254)*?

The hiring department will be responsible unless another department or unit has been designated by the campus. If so, the hiring department should inform the GSR when the form is submitted.

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the Retirement Administration Service Center (800-888-8267).

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, 5th Floor, Oakland, CA 94607, and for faculty to the Office of Academic Personnel, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607.

University of California
Human Resources
P.O. Box 24570
Oakland, CA 94623-1570
W 10/14