



FINANCIAL ASSISTANCE for MASSACHUSETTS FAMILIES

CHILD CARE ASSISTANCE

- **Contracted Child Care**

If you are a working parent or a full-time student and your family income falls below a certain amount (see next page), you may be eligible for *income eligible contracted child care* funded by the Massachusetts Office of Child Care Services (OCCS). Individual child care centers or networks of family child care providers (called *family child care systems*) that care for children from 0 to 14 years old make contracts with the state through which they provide subsidized child care to eligible families and the state assists in paying for it. A placement in a subsidized child care program is called a *contracted slot*.

To obtain a contracted slot, you must select a child care program that has a contract and apply directly to that program or call your local Child Care Resource and Referral agency. The waiting lists for contracted slots are often long, so apply as early as possible. It is never too early to apply.

Families with children in contracted slots pay a portion of their child care costs, based on family size and income. The state pays another portion of the fee and, in many cases, the child care program absorbs the remainder. If family income increases, parents pay an increased portion of the fee until the family is able to assume the full cost. Based on their income, parents may have to pay as little as \$8.00 and as much as \$200.00 per month.

You do not have to be on welfare to qualify for this subsidy. However, if you have received assistance within the past 12 months, you may be eligible through your DTA office. You should contact your prior case worker. In order to qualify for a contracted slot, you must meet the following requirements:

1. Your family income (before taxes) must be equal to or less than the amount below:

Family Size	Maximum Annual Income
2	\$23,448
3	\$28,968
4	\$34,488
5	\$39,996

2. You must either:

- a) be working at least 25 hours per week;
- b) be in job training or undergraduate college study for at least 12 plus credit hours (25 hours per week) or a combination of work and school;
- c) be in the Employment Services Program (ESP);
- d) be mentally or physically incapacitated; or
- e) have a child with a verified physical, emotional or mental disability.

- **Income Eligible Voucher Program**

If you are a working parent or a full-time student, you may be eligible for an *income eligible voucher* funded by OCCS. The requirements for a voucher and contracted care are similar. There are multiple eligibility criteria that a family may meet in order to qualify including grandparents and children and parents with disabilities. The voucher also allows parents to select from a variety of child care providers who accept vouchers. To apply for an Income Eligible Voucher and to be placed on a wait list for other subsidies, contact your local resource and referral agency. Parents pay a portion of their child care costs, based on their family size and income, and the voucher pays for the remaining costs. Parents can choose any child care provider participating in the Voucher program, or have a relative or friend reimbursed for providing child care.

- **Employment Services Voucher Program**

If you are receiving Transitional Aid to Families with Dependent Children (TANF) and you are, or would like to be working, going to school, or attending a training program, contact your local Department of Transitional Assistance. TANF recipients enrolled in their Employment Services Program (ESP) are eligible to receive child care vouchers funded by OCCS. As with the income eligible voucher, the Employment Services voucher allows you to choose any child care provider who accepts vouchers and the cost of child care is completely covered by the voucher. There are no child care costs for parents receiving TANF benefits.

For more information, contact a case worker at your local DTA office or your local Child Care Resource and Referral agency.

- **Community Partnerships**

Community Partnership child care is provided by the Department of Education through grants to local advisory committees who award subsidies in cooperation with public schools, Head Start, and private child care agencies within their towns. These funds are for low-income families who are working, in job training or in an undergraduate college program. To be eligible for a Community Partnership subsidy, children must be 2 years 9 months old and families must earn less than 125% of the state median income. To find out if your town has a Community Partnership program, contact your local Child Care Resource and Referral agency.

Family Size	Maximum Income (effective 07/01/01)
2	\$58,620
3	\$72,420
4	\$86,208
5	\$99,996
6	\$113,796
7	\$116,376
8	\$118,980
9	\$121,548

- **Head Start**

If you receive TAFDC or SSI, if your child has a disability, or your income is below a certain level (see below) your child may be eligible for **Project Head Start**. Head Start is a community-based, comprehensive child development program serving preschool children aged three to five. Head Start programs, which are free of charge, often run for ten months a year, for four to six hours a day. They offer social services to help identify needs and offer trainings and workshops for parents.

Here are the current family income guidelines. For more information, contact your local Child Care Resource and Referral agency or any Head Start Program.

Family Size	Maximum Income (effective 1997)
1 (Foster child)	\$8,980
2 (Parent & child)	\$12,120
3	\$15,260
4	\$18,400
5	\$21,540
6	\$24,680

PRIVATE SUBSIDIES

Some child care programs offer their own sliding-scale fee or scholarships for parents who cannot afford to pay the full costs for child care. In addition, many child care programs offer sibling discounts for families that enroll more than one child in their program.

A small but growing number of employers offer some form of support for their employees who need child care. In Massachusetts several corporations and agencies have developed privately funded voucher-like subsidy programs. For information on private subsidies available in your area, call your local Child Care Resource and Referral agency or contact individual child care programs.

TAX CREDITS

- **The Federal Child Care Tax Credit and Deduction**

The Child Care Tax Credit (also called the Child and Dependent Care Credit) provides up to \$1,440 to families of all income levels who pay for child care in order to work or look for work. The care must have been provided for a child under age 13 who lived with you.

Any type of legal child care qualifies, but your child care expenses cannot exceed \$2,400 for one child or \$4,800 for two children. In general, the higher your child care expenses and the lower your income, the larger your credit. If you owe no taxes, you cannot claim the credit as a refund.

To claim the Child Care Tax Credit, you must keep your child care receipts and file a separate form or “schedule” with your tax return. With tax form 1040, file Form 2441. With tax form 1040A, file Schedule 2. For details, contact the IRS at 1-800-829-1040 and ask for Publication 503, “Child and Dependent Care Expenses”.

If you receive employer-provided dependent care benefits, you may be able to claim the Child Care Tax Credit. However, the amount of the employer-provided dependent care benefits must be subtracted from the child care expenses that may be claimed under the credit.

- **Massachusetts Child or Disabled Dependent/Spouse Care Deduction**

This state tax deduction allows parents to deduct up to \$4,800 of child care expenses from their taxable income, reducing the state taxes they pay by up to \$286. To be eligible for this deduction, you must file federal Form 2441 for the Federal Child and Dependent Care Tax Credit. Call the Department of Revenue Taxpayers Assistance line at 617-887-6367 for more information.

-

Federal Earned Income Credit

The Earned Income Credit (EIC) provides up to \$3,556 for working families with children under age 19 and earned income of less than \$31,152. To qualify for this credit, families do not necessarily have to be using or paying for child care.

The amount of the credit depends on your income and the number of children you have. In general, the lower your income is the larger the credit.

To claim the EIC, you must file a separate form, called "Schedule EIC", with your tax return. "Filing status" may be any status except married filing a separate return. You can get the credit all at once by filing either Form 1040 or 1040A. Even if you do not owe any taxes, you may still be eligible for an Earned Income Credit refund check if you file tax form 1040 or 1040A. For details, contact the IRS at 1-800-TAX-1040, and ask for publication 596, "Earned Income Credit", or contact your local Volunteer Income Tax Assistance (VITA) clinic for free assistance 617-536-1040 in the metro Boston area).

This publication describes the main forms of financial assistance available for Massachusetts families to help reduce the high cost of caring for children. Although we have tried not to use a lot of social services jargon, we recognize that the information may seem complicated and confusing. Whenever possible, we have included names of places and their phone numbers to call for more information. You may need to check your local telephone directory for additional phone numbers.

PLEASE NOTE: The information printed here is accurate as of June 30, 2004. Information is subject to change.

Child Care Resource Center
130 Bishop Allen Drive
Cambridge, MA 02139
E-Mail: parentinfo@ccrcinc.org
Internet address: <http://www.ccrcinc.org>

FOR MORE INFORMATION CALL:

PARENT InfoLINE
617-547-1063 x72