

WHY SHOULD YOU CARE ABOUT CHILDCARE BENEFITS?

- Families increasingly need two incomes for stability, but it is often more cost effective for a parent to leave the workforce than pay for childcare.
- Over 44% of Utah mothers surveyed said they would utilize childcare to work more.
- Childcare support encourages diversity and is a valuable recruitment and retention tool (use this tool to calculate how much employee turnover costs your business).

Check out the US Chamber Foundation Guide for more research and guidance

WHAT ARE WAYS YOU CAN SUPPORT YOUR WORKING PARENTS?

The following 11 ideas are listed from less to more resource intensive options:

1. Be a childcare policy champion by using your influence and voice to advocate for family friendly policy in Utah.
2. Help employees navigate nearby availability and government subsidy eligibility.
3. Offer flexible schedules so parents can work around school and activities.
4. Implement remote work/telecommuting options so parents can better manage work-life.
5. Provide flex spending accounts. A section 125 plan or cafeteria-style benefits plan allows employees to choose the benefits they need at different points in their lives.
6. Subsidize the cost of childcare for the employees' care arrangement of choice.
7. Offer a voucher system that contracts with childcare providers or centers in the community for services for their employees. This can include full-time care, part-time care, backup care, or summer care.
8. Utilize various federal tax incentives. These can include Employer's Childcare Assistance Credit; Employer-Provided Childcare Credit; exclusion for employer-provided dependent care assistance from an employee's gross income; and various incentives for employer-provided childcare (shown in call-out box).
9. Partner with organizations like Wonderschool, which can help create a network of homecare providers and customized tuition support, or Komae, which lets your working parents self-organize care swaps.
10. Provide consortium-style childcare where near-site businesses partner to subsidize a local childcare provider as well as childcare slots for their employees from that provider.
11. Offer on-site childcare. Learn from the experiences of those who have done it. These resources highlight efforts by Home Depot, Patagonia, Clif Bar, and Cisco. Child Care Licensing can help.

TAX INCENTIVES FOR EMPLOYER-PROVIDED CHILDCARE

- Business expense amounts paid by an employer to provide a childcare service for employees may be deductible as ordinary business expenses under IRC Section 162.
- Capital expenses for costs incurred for acquiring, constructing, and/or remodeling a building to be used as a childcare center.
- Start-up expenses incurred in the development of a new childcare center may be amortized over 60 months or more under IRC Section 195.
- An employer supported childcare center may be established as a tax-exempt 501 (c)(3) organization and the employer's contributions to the center may be deductible as charitable contributions.