

**DEPARTMENT OF THE AIR FORCE FEE GUIDANCE
CHILD DEVELOPMENT/SCHOOL AGE CARE/FAMILY CHILD CARE SUBSIDY
PROGRAMS
SCHOOL YEAR (SY) 2023-2024**

9 November 2023

Background

Section 1793 of Title 10, United States Code, requires the Department of the Defense (DoD) prescribe uniform fee regulations for military child development programs (CDP). Fees are based on total family income (TFI) and shall apply to all children who attend on a regular basis. Department of Defense Instruction (DoDI) 6060.02, “*Child Development Programs*” dated September 1, 2020, establishes the DoD fee policy. The DoDI requires the Assistant Secretary of Defense for Manpower and Reserve Affairs (M&RA) to publish fee ranges on an annual basis. Air Force Instruction (AFI) 34-144, *Child and Youth Programs*, 2 July 2019, paragraph 9.4 outlines additional Department of the Air Force (DAF) specific requirements. The fee ranges for SY 2023-2024 are to be used by DAF Child Development Centers (CDC), School Age Care (SAC) and Family Child Care Subsidy (FCC SUB) programs.

Parent fees have been adjusted to make fees more equitable and more affordable for families with the greatest economic need by reducing the percentage of income that lower income families devote to their child care needs. The adjustments align with Executive Order 14095, “Increasing Access to High-Quality Care and Supporting Caregivers,” which directs the DoD to improve the affordability of child care on military installations. The fee policy decreases the number of family income categories from 14 to 11, modifies each TFI range, and increases the highest TFI category to \$160,001 and above. In addition, the fee policy increases the fee assistance provider rate cap for both community-based providers and military-certified FCC providers up to \$1,800 per child per month. The hourly care rate remains at \$8.00 per hour for families using hourly care.

All CDC and SAC patrons, regardless of their income category, must provide income documentation. Families are not permitted to automatically elect to enroll in the highest fee category. Failure to provide the required information will delay the processing and approval and or continued use of child care services. Note: All currently enrolled families must have their TFI recalculated no later than 28 December 2023 to ensure continued child care.

All employees of DoD contractors and specified space available patrons (to include active duty retirees) pay the unsubsidized CDP fee. For the purposes of this fee policy, the term “specified space available patron” does not include active duty Service members with a non-working spouse, DoD civilian employees paid from appropriated funds (APF) or nonappropriated funds (NAF) with a non-working spouse, or gold star spouses (combat related).

Fee Categories

Family income ranges for the 11 fee categories and weekly fees are listed in the SY 2023-2024 fee chart for DAF CDC, SAC, and FCC SUB. Fees are based on TFI.

For CDC and SAC programs, weekly fees are based on a typical Monday-Friday operation with a minimum of 50 or more hours per week. Children/youth may not be in care more than 12 hours per day in CDC and SAC; even if the program’s operating hours extend to 12 or more hours a day. Requests for care beyond 12 hours per day in CDC and SAC due to unique mission requirements that cannot be met via DAF FCC Extended Child Care (ECC) must be coordinated with AFSVC/VCY. Note: A reduction or increase of the hours of operation in Before or After School, may drive an decrease/increase of fees.

For FCC SUB, weekly fees are based on the following:

- FCC Certified Providers must provide their operational hours
 - Full time regular care – FCC Certified Providers must offer a minimum of 50 hours of child care during a typical work week
 - Full time non-traditional care – FCC Certified Providers must offer a minimum of 50 hours of child care to meet the families’ non-traditional schedule, this will be verified and approved by AFSVC/VCYO
 - If providing child care for school agers serviced by the installation SAC Program (before school, after school, and before and after school), the FCC Certified Provider must align their hours of operation to mirror the installation’s SAC Program
 - AFSVC/VCYO will adjust the weekly fees as needed based on if transportation is or is not provided by the SAC Program
 - If providing child care for school agers at a school not serviced by the installation SAC Program, AFSVC/VCYO will determine the required number of hours the FCC Certified Provider must offer based on the school’s hours of operation, the parents’ work schedule, and if transportation is provided

Weekly Fee

Installations/Space Base Deltas (SBD) will charge the weekly standard rate, unless a high or low market adjustment rate has been approved by HQ AF/A1SOC. The market adjustment rates must be applied to the 11 fee categories.

For SY2023-2024, the following installations/SBD are pre-approved to implement the high market adjustment rate:

Pre-Approved High Market Adjustment
Beale AFB
Buckley SFB
Davis-Monthan AFB
Edwards AFB
Eglin AFB
Eielson AFB
Fairchild AFB
Hanscom AFB

Hurlburt Field
Joint Base Anacostia-Bolling
Joint Base Andrews
Joint Base Charleston
Joint Base Elmendorf-Richardson
Joint Base McGuire Dix Lakehurst
Keesler AFB
Little Rock AFB
Los Angeles AFB
Luke AFB
MacDill AFB
McConnell AFB
Nellis AFB
Patrick SFB
Peterson SFB
Schriever SFB
Scott AFB
Travis AFB
United States Air Force Academy
Vandenberg SFB
Wright-Patterson AFB

For all other installations/SBDs who request consideration for a high or low market adjustment rate, requests will be routed through AFSVC/VCY to HQ AF/A1SOC for final approval. A cover memorandum signed by the Installation/SBD Commander (CC) or designee (no lower than Mission Support Group Commander (MSG/CC)/SBD Mission Support Director (MD)) must provide the justification(s) for a low or high market adjustment. The high or low market adjustment rate request must be submitted NLT 30 November 2023.

The utilization of high market fee rates are authorized, once approved, where it is necessary to pay higher wages to compete with local labor or where wages are affected by nonforeign cost of living allowances (COLA), post differential, or locality pay.

It is very important installations/SBDs carefully consider the impact on families and the financial status of their program when deviating from the standard weekly fee and adjusting to high/low market rate. DAF CYP has worked diligently with the other Armed Services to ensure consistency in CDP fees with neighboring installations. Prior to submitting a request, ensure you analyze the child care fees of other neighboring installations/garrisons when submitting a high/low market adjustment request. Installations/SBDs should avoid charging fees higher than necessary for the program to be self- sustaining. SAC fees should be set to generate no more than a 10% profit by the end of the fiscal year.

Families are responsible for paying for child care once enrolled for CDC and SAC full time care, part day care, or before/after school care/wrap around care.

Families must provide a 2-week notice to the desk clerks prior to termination. The desk clerks will immediately annotate the withdrawal date and program end date in the CYP Business Management System (CYPBMS) and annotate under Family Notes Enrollment. Note: Once the 2-week notice is provided, the space will be offered.

Discounts

DAF requires programs provide a discount to families with multiple children, who reside in the same household, enrolled in the CDC, SAC or FCC SUB. The family pays the full fee for the first child with the highest weekly rate and the other children from the same household, enrolled in the CDC, SAC or FCC SUB program, will each receive a discount of 15%.

IAW AFI 34-144, *Child and Youth Programs*, 2 July 2019, 9.4.12, installations/SBDs may offer discounts to parents for participating in an approved parent participation program, with documented approval from the Installation/SBD CC or designee (no lower than MSG/CC)/SBD MD. The parent participation discount will be applied after all other discounts and is not to exceed 10% of the weekly rate and may only be applied up to 4x per fee year. Example: Although a parent may attend a Parent Advisory Board monthly (12x) meeting, they would only receive a credit of 10% of their weekly rate 4x during the fee year.

Child Development Program Staff Fee Adjustments/Certified FCC Provider Incentives

SAF/MR Memorandum, 29 Sep 2022, Child and Youth Program Employee Child Care Discount Policy, directs an enterprise operational hardship child care fee waiver for CYP staff. Installation DAF Child Development Programs (CDPs) will provide 100% “operational hardship” child care fee discounts for all CYP direct care staff for their first child enrolled in a full-time or regular part-time DAF CDP (Child Development Center, School Age Care and Family Child Care (FCC) Subsidy). A 25% discount will apply for any additional children of direct care staff, calculated after the multi-child discount is applied. All other CYP personnel and FCC certified providers will also be provided a 25% discount for each child enrolled in a full-time or regular part-time DAF CDP, calculated after the multi-child discount is applied, if applicable. The 100% discount is applied to the child enrolled in full-time care, if applicable. The parent must be working at the installation where the discount is applied or a neighboring installation (i.e., JB Andrews, JBAB). This policy applies to any actively working CYP employee assigned to the Child and Youth Services Flight, regardless of employment status (i.e. temporary, term, flexible or regular). Direct care staff is defined as staff who spend a minimum of 75% of their work schedule in the classroom. Flexible CDP direct-care workers are eligible for this discount if they work an average of 15 hours or more per week. Programs that reduce CDP personnel child care fees to Category 1 may also authorize multi-child discounts resulting in the child care fees going below the Category 1 fee.

In addition, the Office of Military Family Readiness Policy (OMFRP) will request installations to collect CDP operational hardship fee adjustment data to assess whether the implementation of child care fee reductions for CDP personnel are effective in recruiting and retaining personnel. This data directly supports the Deputy Secretary of Defense (DSD) directives from the 4 May 2022 Deputy’s Workforce Council (DWC) assigned in ensuring

adequate staffing in DoD Child Development Programs. This data will be collected through CYPBMS.

FCC Certified Providers will receive the following incentive for their own children in care:

- \$100 per week for each household member under 2 years of age
- \$75 per week for each household member 2-7 years of age
- Effective 31 December 2023, household members must require full time child care (a minimum of 30 hours per week) and care must be provided in their own home to be eligible for this incentive
- Must have at least one non-household member enrolled in DAF FCC SUB and attending full time child care (a minimum of 30 hours per week)
- Eligible household members must be enrolled in DAF FCC SUB
- Not eligible once household member turns 8 years of age

SAC Program

SAC families will be initially offered spaces through militarychildcare.com with the exception of those moving from the CDC to SAC. Note: Only children enrolled and attending Kindergarten are eligible for SAC; however, a 1-week transition time is authorized prior to the start of the school year.

SAC families who are currently enrolled and attending Before School, After School, or Before and After School will have the first option to enroll in Summer Camps and for the next school year. This should take place prior to 31 March of each year. SAC families who are currently enrolled in the Summer Camp Program will have the second option to enroll in the next school year. This should take place prior to 31 May of each year.

Part Day Program Fees (SAC, Part-Day Enrichment, CDC Wrap-Around Care, and FCC SUB)

CDC Part-Day Enrichment, CDC Wrap-Around Care, SAC Before and After School Care, and FCC It Fits weekly fees are adjusted based on the number of hours of operation multiplied by the fee category hourly rate. Note: It Fits is designed to provide options to families who need less than 30 hours of care; parent fees are based on their TFI and the DAF SUB reimbursement is based on the families usage. Parents who use CDC Wrap-Around Care or SAC Before/After School Care will be permitted to pay for the service needed (before school care, after school care, or both). Rates include all meals and snacks. Payment frequencies will be adjusted based on the number of school weeks. Note: If the SAC Program chooses to provide care for a school, they will honor that school's calendar.

Example:

1. Part-Day Enrichment meets 3 days a week for 3 hours a day. The weekly fee will be based on 9 hours of attendance (3 days X 3 hrs/day).
2. CDC Wrap Around and/or SAC School 1 meets 5 days a week for 2 hours in the morning

and 4 hours in the afternoon – weekly fee for Before School will be based on 10 hours of attendance (5 days x 2 hrs/day); weekly fee for After School will be based on 20 hours of attendance (5 days x 4 hrs/day); Before and After School will be based on 30 hours of attendance (5 days x 6 hrs/day)

3. CDC Wrap Around and/or SAC School 2 meets 5 days a week for 2 hours in the morning Monday-Friday and 4 hours in the afternoon Monday-Thursday and 5 hours on Friday – weekly fee for Before School will be based on 10 hours of attendance (5 days x 2 hrs/day); weekly fee for After School will be based on 20 hours of attendance (4 days x 4 hrs/day and 1 day x 5 hrs/day); Before and After School will be based on 31 hours of attendance (4 days x 6 hrs/day + 1 day at 5 hrs)

Occasionally, enrolled families may need to use additional hours during the school year when school is not in session (i.e., early release, late reporting, no school days, etc.). Families will need to register for these extra hours and pay an additional hourly fee based on their fee category hourly rate and the number of additional hours needed. Note: Full day is based on a minimum of 10 hours per day. Note: For SAC Summer Camps and full SY Breaks, families will register for these weeks and pay the full weekly rate; only the weekly payment frequency is available for these weeks.

For those families who are not currently enrolled and may need care during the school year when school is not in session (i.e., early release, late reporting, no school days, etc.), families will register for hourly care and if approved pay the hourly rate of \$8 per hour. Note: During the School Year, when school-aged or CDC-aged children enrolled in Wrap Around Care, who are enrolled in Before School, After School, Before and After School or Before School Wrap Around, After School Wrap Around, or Before and After School Wrap Around have a no school day or early out/late reporting, parents will be required to pay an additional fee.

If enrolled in SAC Before School only or CDC Before School Wrap Around only and need care in the afternoon for an early school release, the hourly rate of \$8 per hour will apply and families will need to request this hourly in care in CYPBMS.

If enrolled in SAC After School only or CDC After School Wrap Around only and may need care in the morning for late reporting, the hourly rate of \$8 per hour will apply and families will need to request this hourly in care in CYPBMS.

Transportation Fees

Installations/SBDs may charge a fee to transport (excludes walking to and from an educational institution) children/youth to and from the CDC and SAC, educational institutions, and/or non-educational field trips. Transportation fees may not generate a profit and must be submitted to AFSVC/VCY for review and approval. FCC providers are not authorized to charge an additional transportation fee, if they are receiving FCC SUB and/or providing services for children enrolled in Expanded Child Care (ECC) as it is included in the reimbursement. Note: Transportation fees for YP will be approved by the installation NAF Council.

Subletting/Leasing/ Renting Child Care Space

All CDC/SAC parents will be given the option of subletting/leasing/renting their space when their child is not present for an entire week or more (must be in week long increments, Monday-Friday). Subletting/Leasing/Renting is approved for week increments, may not exceed 12 weeks during the fee year, and the sponsor must be assigned to the installation. Note: The CYS Flight Chief may approve up to 12 additional weeks (over the 12 weeks) based on individual circumstances (i.e., maternity/parental/convalescent leave, etc.). Under no circumstances shall the owner of the space profit from the subletting/leasing/renting of their space. **Weekly fees paid are based on the TFI of the patron occupying the sublet/leased/rental space. If the space is used for hourly care, the hourly fee paid will be \$8.00 per hour per child.** Parents occupying the sublet/lease/rental space must be notified of the conditions upon which their space may be terminated and enrollment in a sublet/rental space does not give them higher priority on the waiting list if a permanent space becomes available.

Determining Total Family Income (TFI)

TFI must be verified each fee year and adjusted if applicable. **TFI will be completed through CYPBMS.** DoD Instruction 6060.02, defines TFI to include all earned income, including wages salaries, tips, long-term disability benefits, voluntary salary deferrals, Basic Allowance for Housing Reserve Component/Transit (BAH RC/T) subsistence allowances, in-kind quarters; and subsistence received by a Military Service member, DoD civilian employee, and if applicable, his or her spouse; and anything else of value, even if not taxable, received for services. BAH RC/T and subsistence allowances include the Basic Allowance for Quarters and the Basic Allowance for Subsistence received by military and civilian personnel, when provided (with respect to grade and status), and the value of meals and lodging furnished in-kind to military personnel residing on military installations.

TFI calculations must also include quarters' subsistence and other allowances appropriate for the rank and status of military or civilian personnel, whether received in cash or in-kind. Rather than use the BAH listed on an LES, installations must use the non-locality BAH RC/T for all members, regardless of whether they live in government housing or off the installation. For military and DoD civilian families receiving more than one housing allowance, such as dual military families, military and DoD civilian families, or dual DoD civilian families, include the BAH RC/T with Dependents rate of the senior member only. In locations where Service members receive less than the BAH RC/T allowance, use the local BAH rate. TFI calculations do not include alimony, child support received by the custodial parent, Supplemental Security Income benefits received on behalf of the dependent child, reimbursements for educational expenses or health and wellness benefits, Cost of Living Allowance (COLA), temporary duty allowances, reenlistment bonuses, cash awards, bonuses, or overtime pay. Basic Needs Allowance, if received, is included in TFI calculations. See TFI Tip Sheet for additional information in package.

Since the BAH RC/T chart is based on the calendar year, programs will use the 2023 BAH RC/T chart for those enrolling on or after **January 1, 2023**. More information can be obtained on BAH at: <https://www.defensetravel.dod.mil/site/bah.cfm>. If further changes to the

definition of TFI are made, notification of these changes will be made by separate memorandum. If an installation does not use the BAH RC/T chart and rates are lower than the published BAH RC/T chart, send AFSVC/VCY a copy of BAH chart used.

TFI must be recalculated by the date established within the policy using the **most recent W-2 forms, current Leave and Earning Statement(s) of the Military Service member or DoD civilian employee and, if applicable, those of their spouse and/or all adults who financially contribute to the welfare of the child, or other authorized proof of income.** When reassessing TFI of currently enrolled families use the **November 2023 LES**. TFI will not be recalculated more than once in a fee year even if the child is changing CDPs; however, fees for individual families may be adjusted on a case-by-case basis if warranted due to special financial hardship and/or their DoD Child Care Priority changes from a space available to a higher priority category due to employment. Note: For those families who PCS after having their TFI calculated for the fee year, TFI will only be recalculated if their income is lower, i.e., BAH is at a lower rate, spouse accepted a lower paying position, etc.

All CDC and SAC patrons, regardless of their income category, must provide income documentation. Families are not permitted to automatically elect to enroll in the highest fee category. Failure to provide the required information will delay the processing and approval of child care services.

In the case of unmarried parents, legally separated parents with joint custody, parents living separately with a legal custody agreement, or divorced parents with joint custody, children are eligible for child care only when they reside with the active duty Service member or eligible civilian sponsor at least 25 percent of the time in a month that the child receives child care through a DAF CYP Program. For blended families, the income of the household which establishes eligibility will be used for TFI. For households in which non-related adults or unmarried couples are living in the same residence, include the income of all adults who financially contribute to the welfare of the child. In households where the parents are married or in a legal partnership and one parent is geographically separated from the other include the income of both parents. During deployments or remote assignments, temporary custody to relatives or friends, TFI will only be based on the sponsor's TFI.

DoD civilian employees, DoD contractors, and specified space available patrons with children enrolled in DoD subsidized child care programs are subject to the requirements of, title 26, United States Code (also referred to as the Internal Revenue Code (IRC), Section 61 and title 26, Code of Federal Regulations, section 1.61-1. The IRC requires that child care subsidies generally be treated as part of gross income for tax purposes (see Notification of Child Care Subsidy Tax Value -Tax Year 2023) attached. Active duty Service members are not impacted as they receive an exclusion from taxes for benefits under dependent care assistance programs based on language included in the Military Family Tax Relief Act, codified at Title 10, United States Code, Section 134(b).

Third Party Child Care Subsidy

Families may be eligible for additional financial assistance through other local/state/federal/country programs. The family's fee will still be based on their TFI; however, their weekly fees will be based on the co-pay required by the 3rd party. Note: If the family's weekly co-pay and 3rd party subsidy does not equal the weekly fee based on the TFI, the family will be responsible for the difference.

Fee Adjustments and Hardship Waivers

The Installation/SBD CC or designee (no lower than MSG/CC/SBD MD) may adjust a family's child care fee based on financial hardship, such as loss of employment, sudden and unexpected illness or accident, property damage not covered by insurance, divorce or legal separation, and extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the family. Such waivers are reviewed on a case-by-case basis and may be for short periods of time or until the next TFI review. The new adjusted fee must be within the installation's advertised fee scale and may not go below Fee Category I except when multi-child discounts are provided. **Active Duty Combat Related Wounded Warriors fees will be assessed based on their TFI and any adjustments due to a hardship must be approved by Installation or MSG/CC (may not be delegated any lower).**

The Military and Family Readiness Centers (M&FRC) offer information, education, and personal financial counseling to help individuals and families maintain financial readiness and build resiliency. Families in need of a fee reduction are required to provide a personal financial analysis conducted by the M&FRC and a letter from their commander, first sergeant or supervisor. Families experiencing divorce or legal separation do not need a financial analysis, but a copy of the legal document is required. All supporting documentation should be included in the family's request for a fee reduction package. M&FRC personnel will not make the determination for reduced fees. CYP personnel will report the number of hardship waivers granted on the DoD annual fee report.

CDP Operating Hours

While installation CDP operating hours should be set to support mission requirements, fees for regularly scheduled CDC and SAC programs cover a minimum of 50 hours of care per week. Installation commanders should consider the diverse needs of families and multiple mission requirements when determining operating hours of CDPs. Operating hours in excess of 50 hours per week are necessary to account for varying work schedules. If program operating hours extend beyond 12 hours a day, no child may remain in care for more than 12 hours per day, except in cases of an emergency. CDC and SAC Programs are closed on all Federal Holidays.

Youth Programs (YP) Membership Fees

YP must generate enough income to cover NAF expenses associated with an activity. YP activities are offered free or at a reasonable/minimal cost. Monthly membership fees may not exceed \$30 per youth per month without approval from AFSVC/VCY.

Procedures During a Government Shutdown

Child care programs are authorized to operate during a government shutdown to support mission readiness. CDC and SAC scope of operations and operating hours will be in accordance with the Installation Commander's guidance.

Parents will be responsible to pay for care provided during a government shutdown. Child care fees will be collected for services rendered after an appropriations bill or continuing resolution (CR) is passed. Note: Late payments will be waived until 5 business days after the enactment of an appropriations bill or CR.

Families and DAF Certified FCC Providers who are participating in DAF FCC Expanded Child Care, to include DAF FCC Subsidy, will not be impacted and current policies and procedures will apply. Community-based fee assistance will not be impacted.

Child and Youth Services Flight Chiefs, CDC Directors, SAC Coordinators, and YP Directors will need to track any expenses associated with the non-collection of fees and/or the reduction of scope of operations (e.g., NAF Labor). This data must be submitted to AFSVC CYP NLT 5 business days after the enactment of an appropriations bill or CR.

Dates for Implementation

TFI verification must occur by 28 December 2023 (using November 2023 LES) and implementation of fees will be effective 31 December 2023. Note: CCC/FCC Coordinators will notify VCYO when families have completed enrollment in CYPBMS and no documents will be needed.

Posting and Communicating Fees

All CDC/SAC Programs will post the attached Fee Chart on their Parent Board. Annualized fees are not permitted.

Child and Youth Program Business Management System (CYPBMS)

All payments for CDC/SAC/YP must be processed in CYPBMS with the exception that the YP Snack Bar may accept cash payments. All other payment systems will not be utilized in CDP.

Payment frequencies fees (i.e., Weekly, Bi-Weekly, Bi-Monthly, and Monthly) for CDC and SAC Before/After will be approved in CYPBMS. Note: SAC Summer Camp Fees Payment Frequency is weekly, as:

- Weekly – invoiced every Sunday – payment on Monday – late payment fee assessed as of Thursday
- Bi-Weekly – invoiced every other Sunday after the GS payday – payment every other Monday after GS payday – late payment fee assessed as of Thursday

- Bi-Monthly – invoiced every 2nd and 16th of each month – payment on 2nd/3rd and 16th /17th of each month – late payment assessed as of the 6th and 20th
- Monthly – invoiced on the 1st of each month – payment on the 2nd – late payment assessed on the 6th

Late payment fees for CDC and SAC Before/After: \$5 per day per family based on the above timelines

If a late payment fee processes, the desk clerks must notify the director/coordinator. The desk clerk will annotate the account under Family Notes Payment. If the director/coordinator is unable to collect payment within 5 business days and/or establish a payment plan, the director/coordinator must notify the flight chief. The director/coordinator will annotate the account under Family Notes Payment. If the flight chief is unable to collect payment within 5 business days and/or establish a payment plan, the account if more then \$100 due will be turned over to Collections.

If a family enters into a Payment Plan, the Payment Plan must be documented in the family's account under Family Notes Payment. The family must remain current on new bills and must pay a minimum of 25% on the past due amount with each current payment.

Child care services will no longer be provided if the family has missed two consecutive payments. Upon the 2nd missed payment, programs will notify the family, without a payment in full or an approved payment plan (by the CYS Flight Chief), child care services will end at the close of business 2 business days later.

Late pickup fees for CDC and SAC (Before/After and Summer Camp): \$2.00 per minute/child will be assessed for late pickup following a 10-minute grace period. Note: Families will only be authorized to use the grace period, 3x during the fee year; after the 3rd time, the late pickup fee will be effective upon the closing time.

Additional Guidance

DoDI 6060.02 permits serving other eligible patrons such as active duty Military Service members with non-working spouses, DoD civilian employees paid from APF and NAF with non-working spouses, eligible employees of DoD Contractors, Federal employees from non- DoD agencies and military retirees on a space available basis. Space available patrons are notified at the time of enrollment their space must be vacated if a higher priority patron requires child care. Parents are to receive a 45 day written notice if their CDC/SAC space is needed.

DAF FCC Certified Providers, who are participating in FCC SUB or ECC, agree to abide by the standards set forth in this document. The DAF FCC Certified Provider's License annotates the number of children/youth a provider is been approved for and may care for at one time. Household members of DAF FCC Certified Providers under the age of 8 years count in the ratio whenever they are present in the home regardless if the provider's spouse is there or not. Note: During the school year, if the provider's household member is attending school outside of the home, the provider may use this space for hourly care during the school's hours of operation.

Enrolled families needing to use additional hours during the school year when school is not in session (i.e., early release, late reporting, no school days, etc.) will pay an additional hourly fee based on their fee category hourly rate and the number of additional hours needed (not to exceed 10 hours per day) and AFSVC/VCYO will determine the additional subsidy, if any to subsidize the provider.

For those families enrolled in FCC SUB, prior to utilizing any DAF FCC Extended Duty Care (EDC), Missile Care (MC), Remotely Piloted Aircraft (RPA) Care, or 24/7 Child Care, the family must use the hours purchased in FCC SUB, unless there are unique circumstances approved by AFSVC/VCYO (i.e., 50 hours of care or the number of hours to meet their Before School Care, After School Care, and/or Before and After School needs was not provided based on a Federal Holiday, illness, etc.)

For those providers participating in DAF FCC ECC Programs, parents will not be charged any additional fees with the exception if the provider has outlined a no show/cancellation fee in their signed parent agreement/contract and/or the family exceeds the allotted number of approved hours for each DAF FCC ECC Program.

Additional information for program staff is provided in the “Frequently asked Questions and Answers” handout.

Reporting Requirements

DoD will conduct its annual fee review in February 2024. Each installation is required to provide fee information in the DoD Annual Fee Report.

Reporting Timelines (Due Dates)

High/Low Market Rate Adjustment Requests: 30 November 2023

Fee Year TFI Verification: NLT 28 December 2023

SY 2023-2024 Fee Implementation: 31 December 2023

2023 DoD Annual Fee Report: 15 February 2024

<i>Category</i>	<i>Total Family Income</i>	<i>Standard Weekly Fee Per Child</i>	<i>Market Adjustment Fee Low (Optional)</i>	<i>Market Adjustment Fee High (Optional)</i>
I	\$1 – \$45,000	\$54	\$45	\$56
II	\$45,001 – \$55,000	\$61	\$51	\$63
III	\$55,001 – \$65,000	\$74	\$62	\$77
IV	\$65,001 – \$77,500	\$88	\$74	\$91
V	\$77,501 – \$90,000	\$104	\$88	\$108
VI	\$90,001 – \$102,500	\$121	\$102	\$126
VII	\$102,501 – \$115,000	\$138	\$116	\$143
VIII	\$115,001 – \$130,000	\$155	\$130	\$161
IX	\$130,001 – \$145,000	\$175	\$147	\$182
X	\$145,001 – \$160,000	\$195	\$164	\$203
XI	\$160,001+	\$215	\$181	\$224
DoD contractors and specified space-available patrons	Not Applicable	\$340		
<i>Standard Hourly Care Rate</i>		\$8.00		
<i>Community-Based Fee Assistance Provider Rate Cap</i>		\$1,800 (Per Child Per Month)		

DECISION MEMO

TO:

FROM:

SUBJECT: Authorization for Use of Department of Defense (DoD) Child Development Program Optional High-/Low-Cost Fee Schedule

In accordance with the DoD child development program fee policy and DoD Instruction 6060.02, "Child Development Programs (CDP)," September 1, 2020, this memorandum requests authorization to implement the market adjustment fee schedule at [*insert installation*].

Date:

Service/Installation:

Justification for high-market adjustment rate:

_____ Option 1: The optional high-cost fee schedule is necessary to pay higher wages to compete with local labor.

_____ Option 2: The optional high-cost fee schedule is necessary because wages are affected by non-foreign area cost of living allowances (COLA), post differential, or locality pay as indicated in DoDI 6060.02, Enclosure 3.

Justification for low-market adjustment rate:

_____ Option 1: The overall program operating costs are significantly lower than average program operating costs, and the program is able to provide care at a lower cost to families while still achieving a break-even financial goal.

_____ Option 2: Costs for comparable care within the installation catchment area are significantly lower, and the CDC and/or SAC program must adjust rates to be marketable in this geographic area.

Installation Approving Official: _____ Date: _____

Headquarters Approving Official: _____ Date: _____

**NOTIFICATION FOR CIVILIAN SPONSORS UTILIZING DEPARTMENT OF DEFENSE
SUBSIDIZED CHILD DEVELOPMENT PROGRAMS
DURING TAX YEAR 2023**

DoD is required to notify you annually of the tax value of the child care subsidy for your installation-based child development program. This letter serves as your notification.

The Internal Revenue Code (IRC) requires that child care subsidies generally be treated as income. While no direct subsidy payment is made to any sponsor, the DoD installation-based child development programs are subsidized for military and DoD-civilian sponsors through appropriated funds. These subsidies enable the programs to provide quality care to your children at a rate less than would normally be charged. These subsidies reduce the cost to you of this nationally accredited child care.

While portions of child care subsidies may be taxable, there are tax exclusions on the value of subsidies up to \$2,500 (for married individuals filing separately), or \$5,000 (for married couples filing jointly or single heads of household) if the subsidies are made available through an employer Dependent Care Assistance Plan, which is the case for children enrolled in DoD installation child care programs.

The IRC also stipulates that the child must be claimed as a dependent on the Federal income tax return of their parent or guardian in order to qualify for the \$2,500 or \$5,000 exclusion. This stipulation applies to civilian employee sponsors with children enrolled in DoD subsidized child care programs. Additional guidance may be found in the Internal Revenue Service Publication 503, "Child and Dependent Care Expenses."

Each year the DoD must determine the value of the child care subsidy. The third party administrator performs this calculation on behalf of the Department by deducting the amount of your child care fees from the tax value of the child care space to determine a "net value" of the child care space. **This net value is the amount that is considered potentially taxable income associated with the DoD child care subsidy.** Only child care subsidies that exceed the \$5,000 exclusion (\$2,500 for married individuals filing separately) are taxable and reportable. Sponsors are responsible for considering any Dependent Care Flexible Spending Accounts (DCFSA) to determine if the net value, plus the DCFSA value, exceeds the \$5,000 or \$2,500 amount, which is considered potentially taxable. If you have questions regarding your potential tax liabilities, you should consult your tax advisor.

Tax Year 2023 Information

The cash value of the subsidy for 2023 tax purposes is \$7,603

The 2023 **net value** of the subsidy for each income category is listed below:

Only child care subsidies that exceed the \$5,000 exclusion (\$2,500 for married individuals filing separately) are taxable and reportable.

- Families in Category I have a child care subsidy net value of **\$4,587/year** for a full-time, full-day space.
- Families in Category II have a child care subsidy net value of **\$4,119/year** for a full-time, full-day space.
- Families in Category III have a child care subsidy net value of **\$3,339/year** for a full-time, full-day space.
- Families in Category IV have a child care subsidy net value of **\$2,299/year** for a full-time, full-day space.
- Families in Category V have a child care subsidy net value of **\$1,311/year** for a full-time, full-day space.
- Families in Category VI have a child care subsidy net value of **\$895/year** for a full-time, full-day space.
- Families in Category VII have a child care subsidy net value of **\$167/year** for a full-time, full-day space.
- Families in Category VIII have a child care subsidy net value of **\$11/year** for a full-time, full-day space.
- Families in Categories IX - XI have NO child care subsidy net value (**\$0/year**) for a full-time, full-day space based on the yearly total of fees paid for child care.

CHILD DEVELOPMENT PROGRAM FEE GUIDANCE

FREQUENTLY ASKED QUESTIONS AND ANSWERS

SCHOOL YEAR (SY) 2023-2024

1. When will the SY 2023-2024 fees be implemented?

ANSWER: The SY 2023-2024 fees will be implemented on **31 December 2023**.

2. How have child care fees been adjusted?

ANSWER:

- After conducting a holistic assessment of its child care fees, the Department of Defense (DoD) has begun to take steps to rebalance the way fees are structured in order to better meet the needs of military families. These changes represent a major change to the way DoD child care fees have been structured for the past 30 years.
- For school year (SY) 2023-2024, child care fees are adjusted to make fees more equitable and more affordable for families with the greatest economic need by reducing the percentage of income that lower income families devote to their child care needs. These adjustments align with Executive Order 14095, “Increasing Access to High-Quality Care and Supporting Caregivers,” which directs the DoD to improve the affordability of child care on military installations.
- The fee policy also decreases the number of fee categories from 14 to 11, modifies each total family income (TFI) range, and increases the highest TFI category to \$160,001 and above. Additionally, the fee policy increases the fee assistance provider rate cap for both community-based providers and military-certified family child care providers to \$1,800 per child per month.

3. How are fees determined?

ANSWER: The Military Child Care Acts of 1989/1996 directs parents to pay approximately half of the cost of child care. Fees are based on Total Family Income (TFI). TFI is adjusted each fee year to reflect approved military and civilian pay increases. In practice, this means that a family will not move to a higher fee category solely because of a cost of living increase.

4. How much money does DoD spend to subsidize service members who use Child Development Programs (CDPs)?

ANSWER: Parent fees for the CDC and SAC are established to generate approximately 50 percent of the direct costs of operating the program with the remainder of the program subsidized by APF. Fees are set high enough to only cover the costs not paid for by the taxpayers.

5. How does NOT increasing the fees negatively impact the program?

ANSWER: At the local level, programs would take action to minimize potential financial losses by reducing or eliminating services. For example:

- The demand for infant and toddler care is strong. While the ideal solution to meet the infant demand would be to use classroom space for this purpose, programs may choose to limit the amount of infant care offered as it is cost prohibitive due to lower ratios.
- Programs in high demand/high cost locations may have difficulty recruiting and retaining quality staff if they are unable to pay competitive salaries. Without qualified staff facilities operate at less than full capacity.

6. Who is affected by fee increases? Why are contractors and specified space available patrons being charged a higher rate?

ANSWER: Fees apply to families who attend regularly scheduled Child Development Programs (CDPs) including Child Development Center (CDC), School Age Care (SAC) and DAF Family Child Care (FCC) Subsidy during the year.

- The School Year (SY) 2017 – 2018 fee review determined that DoD contractors and other specified space available patrons, as defined in DoD Instruction (DoDI) 6060.02 “Child Development Programs,” August 5, 2014, would no longer be eligible for child care fee subsidies. ALL DoD contractors and specified space available patrons will pay the unsubsidized child care fee.
- For the purposes of this fee policy, the term “specified space available patron” does not include active duty Service members with a non-working spouse, DoD civilian employees paid from appropriated funds (APF) or nonappropriated funds (NAF) with a non-working spouse, or gold star spouses (combat related).

7. Are other non-DoD employees eligible for care and if so how are fees set?

ANSWER: On a space available basis DoDI 6060.02 permits CDC and SAC to enroll **“otherwise ineligible patrons (e.g. non-federal civilians)”** to make more efficient use of DoD facilities and resources. Fees will be assessed at the unsubsidized rate (**\$340.00/week**).

8. What is the market adjustment rate?

ANSWER: A low and high market adjustment rate option, authorized by the OSD Office of Family Policy/Children and Youth through Service headquarters, provides installations/SBDs the opportunity to adjust fees using the designated higher or lower rate.

- The optional low market adjustment rate may be used in areas where costs for comparable care within the installation/SBD catchment area are significantly lower.

- The optional high market adjustment rate may be used in areas where it is necessary to pay higher wages to compete with local labor or at those installations/SBDs where wages are affected by non-foreign area cost of living allowances (COLA), post differential, or locality pay.

9. Why are the fees based on TFI?

ANSWER: Fees are based on a family's ability to pay. TFI is a better yardstick since it takes into consideration all income available to pay the child care bill. Additionally, one of the purposes of the military child care program is to improve the economic viability of military families. Those families with the lowest incomes are those most in need of assistance with their child care expenses.

10. How is family income determined and what forms are required for verification?

ANSWER: The *Application for Department of Defense (DoD) Child Care Fees, DD Form 2652 dated Oct 2020*, or electronic equivalent will be used to verify TFI as defined in Department of Defense Instructions (DoDIs) 6060.02.

- For purposes of child care fees in the Department of Defense Child Development Programs, TFI is defined as all earned income including wages, salaries, tips, special duty pay (flight pay, active duty demo pay, sea pay), active duty save pay, long-term disability benefits, voluntary salary deferrals, retirement or other pension income including Supplemental Security Income (SSI) paid to the spouse/partner and Veterans Affairs (VA) benefits paid to the surviving spouse before deductions for taxes using the individual's most recent W-2, Leave and Earning Statement, or other authorized proof of income. TFI calculations must also include quarters subsistence and other allowances appropriate for the rank and status of military or civilian personnel whether received in cash or in-kind.
- Programs should not include alimony, child support received by the custodial parent, SSI received on behalf of the dependent child, reimbursements for educational expenses or health and wellness benefits, cost of living (COLA) received in high cost areas, temporary duty allowances, or reenlistment bonuses.
- Do not include cash awards, bonuses, or overtime pay in TFI calculation.
- TFI includes the appropriate non-locality Basic Allowance for Housing (BAH Reserve Component/Transit (RC/T)) for all members, regardless of whether they live in government housing or off-installation. Programs will use the local BAH rate in locations where military members receive less than the BAH RC/T allowance. For dual-military living in government quarters, include BAH RC/T of the senior member only; for dual Defense civilian OCONUS include Locality for both civilians and LQA for the senior member only; for Defense civilian OCONUS, include either the housing allowance or the value of the in-kind housing provided.

- Note that the BAH RC/T rate is based on the calendar year. Programs will use the appropriate year's rate when calculating fees. Specific rate information can be obtained on BAH rate based on rank and geographic location at <https://www.defensetravel.dod.mil/site/bah.cfm>.

11. Why is the allowance for housing included in the TFI computation?

ANSWER: Housing allowance is included because:

- Section 1793(a) of title 10, United States Code requires DoD to establish Department-wide uniform child care fees based on total family income (TFI). In 1990, when the fee policy was first established, the family's Internal Revenue Service (IRS) Form 1040 was used to determine TFI.
- In 1993, the definition of TFI was changed to be consistent with the Internal Revenue Code's definition for military members claiming Earned Income Tax Credit for Child Care. According to the IRS definition, TFI comprises all earned income to include wages, salaries, tips, long-term disability, voluntary salary deferrals, quarters allowances (BAQ), subsistence allowances (BAS), and in-kind quarters and subsistence received by military members, and anything else of value, even if not taxable. Basic Allowance for Housing (BAH Type II) is used instead of BAQ because of changes to the housing allowance system in 1998.
- The computation of TFI is based on earned income rather than on disposable income. The BAH used to calculate TFI represents an in-kind service received in lieu of a housing payment. As noted above, subsistence allowance is included in the category of earned income.

12. How do I calculate the TFI for non-related families or non-married couples and for couples who are geographically separated?

ANSWER: In households where non-related families or unmarried couples are living in the same residence, include the income of all adults who financially contribute to the welfare of the child. In households where the parents are married or in a legal partnership and the custodial parent is geographically separated from the sponsor include the income of both.

13. How do I calculate the income for individuals who work on commission and who do not have a previous tax year return?

ANSWER: Individuals who have no employment income history and whose income fluctuates throughout the year must provide an employer estimate of the anticipated annual earnings. Individuals who are self-employed will also be required to provide an estimate of annual earnings. Individuals must provide verification of employment such as a Pay/Leave and Earning Statement, Form 1099-MISC, Schedule C (Form 1040 or 1040 SR), or a self-certification statement with an estimated number of hours worked on a weekly or monthly basis.

14. How do I calculate the income for individuals who own their own business?

ANSWER: Calculate the TFI using the business net income.

15. Will families have to resubmit documentation if there have been no changes to financial arrangements?

ANSWER: All families are required to provide documentation each fee year based on HQ DAF/AISOC guidance to verify their income, such as a current Leave and Earning Statement (LES). Each DoD family, regardless of their income category, must provide documentation for verification using the most recent W-2 forms, current LES (s) of the Service member, DoD civilian employee, or contractor/space available patron or other authorized proof of income. Families are no longer permitted to automatically elect to enroll in the highest fee category.

16. What happens if a family refuses to provide proof of income?

ANSWER: Failure to provide the required information will delay the processing and approval of child care services and will result in denial of child care services.

17. How are families experiencing a hardship assisted?

ANSWER: The Installation/SBD Commander or MSG/CC (may not be delegated lower) may adjust a family's fees based on unusual financial circumstances, such as when a family's Total Family Income declines. Such waivers are reviewed on a case-by-case basis and may be for short periods of time or until the next TFI review. As waivers are reviewed, consideration must be given regarding the balance of non-appropriated income (parent fees) and appropriated fund support. Hardship fees will be set at one of the installation's established rates and not be less than Fee Category I. The M&FRC offer information, education, and personal financial counseling to help individuals and families maintain financial readiness and build resiliency. Families in need of a fee reduction are required to provide an M&FRC personal financial analysis and a letter from the individual's commander, first sergeant, or supervisor. Families experiencing divorce or legal separation do not need a financial analysis, but legal documentation supporting this status is required. M&FRC personnel do not make the determination for reduced fees. The financial hardship does not apply to contractors or specified space available patrons.

18. Are there discounts for multiple children from the same household?

ANSWER: Yes. DAF requires a 15 percent reduction of fees for each additional child of the same household. The multiple child discounts do not apply to contractors or specified space available patrons.

19. What services do families receive for their child development program fees?

ANSWER: Families participating in full-time CDC and SAC (full-day winter break, spring break, or summer) programs receive 10-12 hours of care a day, Monday-Friday. Healthy USDA compliant meals (breakfast, lunch and a snack) for all programs are included. In addition, quality programming is provided which includes age-appropriate classrooms/playgrounds with safe, developmental furnishings and equipment, and stimulating curriculum activities/materials that

support cognitive, physical and social-emotional development. Children participating in School Age Programs benefit from field trips, and activities/opportunities sponsored by industry partners such as 4-H and the Boys & Girls Clubs of America.

20. Why does child care cost so much?

ANSWER: Caring for children is an expensive service because it is labor intensive, especially, for infants and toddlers. Over 50% of the total cost of providing child care and 95% of the cost paid by parents is for caregiver's wages. Families who are enrolled in DAF FCC SUB are purchasing 50 hours of care each week (Sunday-Saturday) to meet their full time child care needs or the number of hours to meet their Before and After School child care needs. Child care fees include daily meals and snacks including for families enrolled in DAF FCC SUB.

21. Why do higher income families pay more for child care?

ANSWER: For school year (SY) 2023-2024, child care fees are adjusted to make fees more equitable and more affordable for families with the greatest economic need by reducing the percentage of income that lower income families devote to their child care needs. These adjustments align with Executive Order 14095, "Increasing Access to High-Quality Care and Supporting Caregivers," which directs the DoD to improve the affordability of child care on military installations.

22. Why are the fees at off-base centers cheaper in some areas?

ANSWER: There are several reasons why the fees at some off-base centers may be lower than DAF child development or school age care programs. Many off-base centers do not provide infant and toddler care or, if they do, provide only a few spaces for these age groups. These age groups are the most expensive to provide care for because caregivers can care for fewer children. Most DAF centers devote up to half (or more) of their spaces to infants and toddlers, therefore, the overall cost of operating is higher.

Secondly, staff:child ratios (the number of children for whom one caregiver can provide care) are different. In many states, the number of children per caregiver is much higher than the DAF considers necessary to provide safe and good quality care for children.

Finally, off-base centers may pay low wages and not be concerned about high staff turnover; some off-base centers pay minimum wage and have very high staff turnover. The DAF believes it is important for children to be taken care of by the same caregiver from day-to-day. The caregiver gets to know the child, establishes an emotional bond, and is more aware when the child is coming down with a potentially life-threatening illness. Paying caregivers enough to minimize staff turnover reduces the amount the DAF must spend recruiting, screening, and training caregivers.

23. If caring for an infant or toddler costs more, why doesn't the DAF charge parents who have infants and toddlers more than they charge parents who have preschoolers?

ANSWER: DoD child care fees are based upon total family income (TFI) and standardized across the Services by standard weekly fees per child not by age group. Typically, parents with infants and toddlers are usually those with lower incomes and are less able to pay higher fees. For school year (SY) 2023-2024, child care fees are adjusted to make fees more equitable and more affordable for families with the greatest economic need by reducing the percentage of income that lower income families devote to their child care needs. These adjustments align with Executive Order 14095, "Increasing Access to High-Quality Care and Supporting Caregivers," which directs the DoD to improve the affordability of child care on military installations.

24. Wouldn't it be cheaper for parents if the DAF offered custodial care instead of developmental care?

ANSWER: Parent fees pay for caregivers and the same number of caregivers is required whether the DAF offers custodial or developmental care. The difference between custodial care and developmental care is the manner in which caregivers interact with the children, and the educational materials and activities that are offered to the children. It is the Department's position that it is better for families and for the DAF if the caregivers interact with the children using positive guidance techniques, read to the children, and conduct other learning activities with them.

25. Are parents charged for the weeks that their children are not present because the parents are on leave?

ANSWER: Yes. Parents must pay for the child care space even if their child is not present because the program's costs of making that space available, whether it is used or not, does not decrease. Having children absent does not decrease the number (and cost) of staff in the room.

26. Do parents have to pay for child care when their child is sick?

ANSWER: Yes. The program's costs of operating the center do not decrease when one or more children are absent in a room. The fees collected from parents are used to pay the caregiving staff and those costs do not decrease because of the absence of a few children.

27. Why does it cost more if a parent is late picking up a child?

ANSWER: All DAF CDC and SAC programs require additional payment if the parent arrives after closing time. This is because additional staff must be kept on duty and may have to be paid. Late pickup fees for CDC and SAC (Before/After and Summer Camp): \$2.00 per minute/child will be assessed for late pickup following a 10-minute grace period. Note: Families will only be authorized to use the grace period, 3x during the fee year; after the 3rd time, the late pickup fee will be effective upon the closing time.

28. Why does family child care sometimes cost more than center-based care?

ANSWER: Family Child Care (FCC) providers are private businesses certified by the Installation MSG CC/SBD MD to provide child care in their home. As private business owners, the DAF is

not permitted to dictate their rates. Although FCC may cost more, many of our installations/SBDs have DAF-subsidized FCC. Subsidized FCC reduces the cost of child care for those families who have: children/youth on the waiting list when there are no spaces available in the CDC or SAC; children/youth with special needs; parents that work outside the normal operating hours of the CDC or SAC. Parents using a subsidized FCC home will pay the same weekly fee as they would if they were using the installation child development center or school age care program.

29. Will DoD civilian employees, DoD contractors, and specified space available patrons be taxed on the value of the child care space?

ANSWER: Title 26, United States Code, section 61, title 26, Code of Federal Regulations, section 1.61-1, Internal Revenue Code (IRC), provide that child care subsidies are generally treated as income. This income is generally calculated by adding the value of the subsidy to the taxable income of civilian employees, DoD contractors, and specified space available patrons who benefit from the subsidies.

The cost of each space in DoD installation-based Child Development Programs is equally subsidized for both Military Service members and civilian patrons through appropriated funds. These subsidies include direct support for a limited number of staff salaries, equipment and supplies. Additional financial support is provided in the form of installation contracts, facility and grounds maintenance, and other personnel support. In the absence of subsidies, the cost of Child Development Programs offered to both Military Service members and civilian employees would be significantly higher.

TOTAL FAMILY INCOME FAQ

TYPES OF PAY (Using pretax figures)	YES	NO	ADDITIONAL INFORMATION
Active Duty, Drill Weekend and Reserve Training	X		
Active Duty Save	X		
Adoption Reimbursement		X	
Alimony		X	
Assignment Incentive Pay (Submarine, Flight, HALO High Altitude/Low Opening or Jump)	X		
Basic Allowance for Subsistence (BAS)	X		
Bonus (Career Status, Enlistment, Officer, Overseas Extension, Reenlistment)		X	
Child Support		X	
Civilian Housing Allowance (LQA)	X		If dual civilians, based on rate of senior member.
Civilian Maintenance Allowance Subsistence		X	
Clothing Allowance		X	
Combat, Hardship, Hazardous, Hostile Fire or Imminent Danger Duty		X	
Command Responsibility	X		
Cost of Living Allowance in High Cost Areas		X	
Dislocation		X	
Educational Allowances (e.g., GI Bill)		X	
Employer Reimbursed Mileage		X	
Family Subsistence Supplemental Allowance		X	A voluntary financial benefits program for military families, intended to increase a service member's income in order to remove their household from eligibility for SNAP benefits (formerly the food stamp program).
Family Separation or Housing Separation		X	
Health and Wellness Benefit		X	
Housing Allowance Based on BAH RC/T	X		If dual military, based on rate of senior member. This includes OCONUS civilians as the BAH/RT or the value of the in-kind housing provided.
Locality	X		
Long Term Disability/VA Disability	X		
Move In Housing Allowances		X	
Other Pension	X		
Overtime		X	
Premium	X		Only if reflected on LES (i.e., night differential, etc.)
Post Allowance		X	
Retirement	X		
Special Duty Pay (Aviation/Flight, Active Duty Demolition, Sea, Submarine, Nuclear Officers, Diving, Foreign Duty or Language, Medical and Dental Officers, Optometry, Pharmacy and Veterinarian)	X		
Social Security (include SSI-Supplemental Security Income, SSDI-Social Security Disability Income) Paid on Behalf of the Child		X	
Social Security (include SSI-Supplemental Security Income, SSDI-Social Security Disability Income) Paid on Behalf of the Adult	X		
Surviving Child Benefits		X	
Surviving Spouse Benefits	X		
Temporary Duty Allowances		X	

TYPES OF PAY (cont.)	YES	NO	ADDITIONAL INFORMATION
Tips	X		
Unemployment Compensation		X	
VA Payments to Surviving Spouse	X		
Voluntary Salary Deferrals	X		
Wages and Salary	X		Includes geographically separated parents/custodians
Wounded Warrior Pay (any type)		X	
FREQUENTLY ASKED QUESTIONS	YES	NO	ADDITIONAL INFORMATION
Is self-employed income included in TFI?	X		Use IRS 1040 Schedule C. If unavailable use annual income estimate.
Is TFI recalculated when a single sponsor marries?		X	TFI must not be recalculated until next fee year TFI recalculation period.
Is TFI recalculated when a sponsor or other adult in home is promoted or obtains a higher paying position?		X	TFI must not be recalculated until next fee year TFI recalculation period.
Is TFI recalculated when access to child care was obtained while an adult member was unemployed, but the member gains employment?	X		Because initial enrollment was contingent upon gaining employment.
Is TFI recalculated when an adult member is no longer in school full time, but gains employment?	X		Because initial enrollment was based on student status which changed to full time employment.
Is TFI recalculated when an existing customer enrolls a new child in the program?		X	
Is TFI recalculated when another adult moves into the home?		X	TFI may not be recalculated until the next fee year TFI recalculation period. Note: Adult refers only to sponsor, spouse, parent of the child. Other adults such as grandparents are not included, unless they contribute to welfare of child.
What is the definition of a contractor?			Check with Installation Contracting office to verify contractor status.
When a surviving spouse remarries is TFI recalculated?		X	TFI may not be recalculated until next fee year TFI recalculation period. However, a reduction in TFI due to loss of annuity can be addressed out of cycle with a fee reduction hardship waiver.
When civilians live on base is the BAH RC/T chart used?	X		If living in government housing in USAFE or West PACAF. Use the military to civilian grade equivalency chart to calculate.
Is TFI based on the sponsor's income when the child doesn't live with sponsor because of divorce?	X		Eligibility and enrollment for child care is based on the sponsor's need for child care to accomplish the DoD mission. As such, TFI is based on the sponsor's income.
Do siblings at different installations get the multichild discount?		X	However, if the programs are in the same installation MWRF (i.e., Lackland, Randolph, Ft. Sam Houston) then discount can be applied.
Can child support payments be deducted from TFI?		X	Child support payments are not added or deducted from TFI.
Can fees be adjusted after losing employment or for other hardships?	X		Approval via waiver package submitted by parents is required by the MSG or Installation Commander after completion of a personal financial analysis by the Airman and Family Readiness Center.
Can fees be adjusted for divorce or separation?	X		Approval is required by the MSG or Installation Commander upon review of legal separation or divorce documents.
If an individual departs the program and returns during the same school year is TFI recalculated?		X	TFI is valid until next fee year TFI recalculation period.
Is the weekly fee of the authorized user charged when subletting or renting space to another parent?	X		Fees may not exceed the parent's original TFI fee. No authorized user of the space may profit from the subletting or rental of their space.