

How do Child Care Assistance Payments Work?

Child Care Assistance Payment

DEFINITION: A subsidy that helps parents pay for approved child care while at work or looking for work. The payment amount is determined by the Department of Workforce Services and is paid directly to the child care provider.

Co-payment

DEFINITION: A payment that the parent must pay to the child care provider. The co-payment amount is determined by Workforce Services based on household size and income.

Out-of-pocket Expense

DEFINITION: Additional expenses that must be paid by the parent to the provider, if the total cost for child care is more than the subsidy and co-payment. Providers set their own rates, which may be more than the Workforce Services benefit.

EXAMPLE



\$1,200 Provider's monthly child care charge

\$944 Subsidy (paid by Workforce Services)

\$96 Co-payment (determined by Workforce Services and paid by the parent)

\$160 Out-of-pocket expense (subsidy and co-payment equal \$1,040; the parent must pay the remaining \$160 for the total \$1,200 charge)

Total paid to provider by Workforce Services

\$944

\$256 Total paid to provider by parent

(\$96 + \$160 = \$256)

Note: Households earning at or less than 100% of the federal poverty limit are not subject to the co-payment requirements. However, these families may still have out-of-pocket expenses that they are responsible to pay to their provider.