

# Understanding IHCC Fee Assistance

It is important for each family interested in participating in the DoD In-Home Child Care Provider Fee Assistance pilot program (IHCC) to evaluate the dynamics of this pilot and other programs in order to determine the child care program that best meets their needs. Understanding the fee assistance calculation for IHCC and how it will affect your associated costs is important in selecting the right program for your family. Often the cost to employ an In-Home Child Care provider is higher than the cost of facility-based or Family Child Care and should be a consideration in your provider search.

**Please review the key points below to ensure an understanding of IHCC fee assistance, sign the bottom of the form, and submit with all other required documents.**

- IHCC fee assistance is meant to offset the cost of In-Home Child Care for eligible military families, and will not cover the entire cost of child care.
- The program does not determine, nor approve the rate an In-Home Child Care provider may charge a family.
- The program currently allows fee assistance up to a provider rate cap of \$1,500 per month, per child in care full-time and \$750 per month, per child for school-age part-day care.
- Any additional provider costs above the established provider rate cap is the responsibility of the parent, in addition to their military child care fee based on their total family income. Fee assistance is calculated by using the following factors, total family income, the associated military child care fee, and the In-Home Child Care provider's rate.
- The amount of fee assistance provided is based on these steps:
  - The cumulative monthly In-Home provider rate for all children (capped at \$1,500 per month, per child in care full-time, or \$750 per month, per eligible school-age part-day child)
  - Minus the cumulative military child care parent fee for all children (the total costs a family would pay if receiving care on the local installation, based on total family income)
  - Equals monthly fee assistance total
- The amount of the parent payment responsibility is based on:
  - The cumulative military child care fee discussed above
  - Plus, any additional amount the provider charges over the provider rate caps (\$1,500 per child in care full-time and \$750 per eligible school-aged part-day child)
  - Plus, fees for additional care given outside the established schedule, or fees a family is responsible for related to overtime costs in accordance with state/federal laws
  - Equals the total monthly parent payment responsibility to the provider
- The fee assistance payment will be paid directly to the In-Home Child Care provider. The service member and family will pay the In-Home provider their portion as determined by the fee assistance calculation.

The following information is to assist families in understanding how IHCC fee assistance is calculated. It does not constitute an estimate for your family nor is approval for fee assistance guaranteed until all family and provider documents have been reviewed and determined to meet the requirements.

In the below examples, weekly provider rates are multiplied by 4.33 to reach a monthly rate (52 weeks/12 months = 4.33)

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## **Example 1:**

Family 1's Total Family Income category is 11 for a standard cost region (according to the DoD TFI chart) and hires an In-Home Child Care provider at \$15 per hour. Their provider is scheduled to provide full-time care 40 hours per week for their 2-year-old child. The monthly costs for In-Home Child Care is \$2,600 (40 x \$15 x 4.33 weeks). As the fee assistance cap is \$1,500 per full-time child, \$1,500 a month would be used for the purposes of calculating fee assistance for their child and the remaining balance ( $\$2,600 - \$1,500 = \$1,100$ ) is the parent responsibility.

Fee Assistance to Provider: \$1,500 (provider rate cap) - \$676 (military child care fee) = \$824

Parent Financial Responsibility: \$676 (military child care fee) + \$1,100 (balance exceeds cap) = \$1,776

## **Example 2:**

Family 2's Total Family Income category is 13 for a high cost region (according to the DoD TFI chart) and hires an In-Home Child Care provider at \$5,800 per month. Their provider is scheduled to provide full-time (FT) care 45-hours per week for their two children who are 1 and 3 years old, as well as their 6-year-old child needing part-time (PT) care outside of school hours. As the fee assistance cap is \$1,500 per full-time child (= \$3,000) and \$750 for school-age children, \$3,750 a month is used for the purposes of calculating fee assistance for the three children and the remaining \$2,050 balance ( $\$5,800 - \$3,750 = \$2,050$ ) is the parent responsibility.

Fee Assistance to Provider: \$3,750 (provider rate cap) - \$1,948 (767 per FT child and 414 per PT military child care fee) = \$1,802

Parent Financial Responsibility: \$1,948 (military child care fee) + \$2,050 (balance exceeds cap) = \$3,998

- As we, the military family, identify, negotiate, and hire our own In-Home Child Care provider, we are responsible for all associated child care costs outside the approved fee assistance amount. If we choose to begin child care with our provider prior to fee assistance approval, we are then responsible for any amount incurred before fee assistance begins. By signing this form, I acknowledge that I have read and understand how IHCC fee assistance is calculated and will pay my provider all child care costs not covered by my fee assistance during the authorized approval period.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_