



***Policy Implementation Guideline:
Childcare Subsidy***

CHILDCARE SUBSIDY

I. Definition:

Monetary benefits or discounts for employees with young children to subsidise the cost of childcare services.

II. Important Considerations:

- Eligibility, rules and regulations to utilise childcare subsidy arrangement must be clearly defined within the policy prior to implementation.
- Identify childcare facilities based on employee's requirements to engage vendor to offer subsidy.
- The childcare subsidy policy should be reviewed at least once per year.
- Childcare subsidy may not be applicable for all employees such as those who are earn above a certain level of income bracket (e.g Manager level and above), at discretion of the company In such cases, subsidies will be discontinued for employees progressing to such career levels.
- HR may enhance or discontinue the policy if it no longer meets business needs.

III. Policy Guidelines:

- **Eligibility:**
All full time employee with dependent children living in the same home from birth under the age of 12, or children who are disabled and under the age of 18 with a total household income that is below the determined threshold.
- **Application and Approval Process:**
A typical application process to receive childcare subsidy:
 - a. Eligible employees should have already enrolled their child(ren) in a regulated child-care center or nurseries prior to applying for childcare subsidy. Alternatively the organisation has identified preferred childcare centres for employees to use.
 - b. Eligible employees who meet the criteria should apply in writing, stating their intent to receive childcare subsidy directly to the relevant approving authority and copy the appropriate individuals.
 - c. The employee should include in the application:
 - Reasons supporting approval to receive childcare subsidy.
 - Disclosure of total number of children benefiting from the childcare subsidy and other information as required by HR (e.g. Birth Certificate and Health Record).

A formal approval process is required for each individual application that takes into account:

- a. Employee's job level and monthly income.
- b. Employee's total months of active employment with the company.

- **Review of Childcare Subsidy:**
 - a. Employees are required to re-apply annually or each time there is a salary revision (whichever comes first) according to the standard application process.

- **Expectations of Employees Receiving Childcare Subsidy:**
 - a. Knowingly making false or fraudulent statements in order to receive childcare subsidy from the company should be subject to company's disciplinary actions

- **Rewards and Salary:**

Typically, childcare subsidies are provisioned on top of employee's base compensation.

Checklist for Employer:

- Define workforce and employees eligibility.
- Determine amount to be provided as childcare subsidy and frequency of disbursing the benefit (e.g. monthly).
- Develop communication of the initiative for a clear understanding of the terms and conditions of the policy and send to target audience.
- Eligible employees may initiate request to receive childcare subsidy.
- Employee and HR agree on review timeline.
- Monitor utilisation and effectiveness of childcare subsidy.