



Policy Implementation Guideline: Childcare Subsidy

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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 at discretion of the company. In such cases, subsidies will be discontinued for employees progressing to certain 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 i.e. from birth to under the age of 12, or children who are disabled and under the age of 18 with a total household income that is determined at a certain 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 Employers:

- Define workforce and employee's 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.