



Graduate Student Researcher (GSR) Child Care Reimbursement Program

UC San Diego

Frequently Asked Questions

1. How are 'non-school age children' defined? What is the age limit for non-school age children?

Qualified dependent(s) are children, in the custody of the GSR, who are age 12 or younger on July 1st.

2. How is applicable child care provider defined?

The child care provider must have a valid tax I.D. or Social Security number. If the center cares for six or more dependents who are not residents, it must comply with all state and local licensing laws and applicable regulations. Child care provided by the spouse, a child of the GSR under age 19, or someone else the GSR claims as a dependent for tax purposes is not reimbursable.

3. How will the reimbursement be taxed?

Federal tax will be at 25 percent, state tax at 6.6 percent. Defined Contribution Plan contributions and Medicare tax will be deducted, if applicable.

4. How will I receive my reimbursement?

The reimbursement will be processed through the payroll department and will be provided in the same manner in which you usually receive payment, either direct deposit or a paper check. If the reimbursement is processed more than 30 days after a GSR no longer has an active appointment, then the reimbursement will probably be via a paper check.

5. Will the \$5,000 ASE Dependent Care limit be reduced by amounts reimbursed under the GSR Child Care Reimbursement program?

Because the reimbursements paid to the GSR members under the GSR Child Care Program will be treated as additional wages, such reimbursements will not reduce the maximum pre-tax amount that can be deducted from the employee's paycheck under the ASE Dependent Care program.

6. Why is the child care reimbursement taxable?

The GSR Child Care Reimbursement Program does not meet IRC dependent care assistance program requirements as a nontaxable program; therefore, the reimbursements under this program are treated by the IRS as additional wage income.

7. Can I claim the child care credit on my tax form?

Potentially, yes. Even though the reimbursements received under the GSR Child Care Reimbursement Program represent taxable wages to the employees, the amounts paid by the GSR employees for child care services may be eligible for the "dependent care services" tax credit set forth in Section 21 of the Internal Revenue Code.

The amount of the dependent care services tax credit that can be claimed depends on the individual's adjusted gross income and cannot exceed \$3,000 for one child or \$6,000 for two or more children in any

single tax year. The dependent care services tax credit is subject to a number of different requirements. More information is available on [IRS Publication 503 webpage](#).

Please consult with your tax advisor in determining whether you are eligible to claim this credit.

8. [How is a 25 percent appointment defined for purposes of this program?](#)

A GSR must be appointed so that over the term of the appointment the average time is at least 25 percent. A GSR may be appointed for 50 percent time for one-half of the term, which would result in the average over the term being 25 percent.

9. [Will the child care reimbursement affect my eligibility for financial aid?](#)

It is possible that the child care reimbursement might impact eligibility for financial aid. It is the responsibility of the GSR to inform the appropriate agencies and offices of the child care reimbursement.

10. [May a student simultaneously employed as a 25 percent GSR and a 25 percent ASE receive child care reimbursement under both programs?](#)

No. An employee with a dual appointment of 25 percent GSR/25 percent ASE may request reimbursement for a maximum of \$1,100 per quarter. The reimbursement must be claimed under the guidelines of the ASE Child Care Reimbursement Program.

11. [Who is responsible for processing the UCSD Graduate Student Researcher \(GSR\) Child Care Reimbursement form?](#)

The student's academic home department/program will be responsible (as opposed to the hiring department in the case of ASE Program).

12. [Does the academic home department/program cover the cost of GSR child care reimbursements?](#)

In terms of setting up the payment, yes. The academic home department/program will be subsequently reimbursed by the relevant VC office from discretionary campus funds.