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## URGENT LETTER TO DoD CIVILIAN CHILD CARE PARENTS-SPONSORS

Dear DoD Civilian Parent-Sponsor:

The Internal Revenue Service (IRS Code Section 129) treats civilian subsidized child care benefits as taxable income. As a DoD Civilian Parent-Sponsor who received subsidy benefits in 2009, you must receive a Form 1099 Miscellaneous Income showing the cash value of that child care subsidy.

The Department of Defense has contracted with Administrative Services, Inc. (ASI) to serve as third party administrator for the DoD Civilian Child Care Subsidy Program. ASI is required to collect all necessary information and to mail your 1099 to your home address.

For 2009 tax year, the tax value of the child care subsidy you received for each child care space is \$2,999. The IRS allows each family in this plan to exclude up to \$5,000. For each child you enrolled full-time for the full year in 2009, your taxable income for this benefit is \$2,999. If you enrolled two children, your taxable income for this benefit is \$2,999 x 2 children, or \$5,998. Because you do NOT claim income under \$5,000, the Form 1099 you will receive will only reflect amounts OVER \$5,000.

***For your convenience, ASI has developed a dedicated website. Please go to <https://dodcivilianchildcare.subsidy.com> to complete the child care enrollment form online by Wednesday, January 20, 2010. You can submit the form on-line. You may also print a copy for your files. ASI will mail the 1099 to your home address.***

If you have questions or need assistance please call us – Mrs. Helen Dortch, ASI Senior Vice President or Dr. Elizabeth Abramowitz, ASI President. We can be reached at (301) 654-3903 Mondays through Fridays 8:00 a.m. to 6:00 p.m. EST.

Sincerely yours,

**Elizabeth A. Abramowitz**

Dr. Elizabeth A. Abramowitz

President

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<https://dodcivilianchildcaresubsidy.com>

**ASI WORKS FOR YOU**