CHILD CARE THAT PENCILS OUT FOR FAMILIES AND COMPANIES

Can your employer help pay for child care? Yes, and it costs them far less than you'd think.

WHAT CHANGED

In January 2026, a federal tax credit for employer-provided child care got a major expansion. Companies that help pay for employees' licensed child care now get 40% of that money back from the federal government, and 50% if they're a smaller business (see the government's own resources via the code below). New York adds its own state credit on top (tax.ny.gov; the exact page is linked behind the code below). Combined, a New York employer often gets 70% or more back.

WHAT THAT MEANS IN PRACTICE

Say a company puts $50,000 a year toward its employees' daycare and preschool bills. After the credits, the real cost to the company can be around $15,000. Employees get the full $50,000 of help. Per dollar of net cost, almost nothing else in a benefits package delivers this much value to working parents.

WHAT KIND OF CARE COUNTS

Licensed care: day care centers, preschools, and licensed home-based programs. The employer contracts directly with one or more licensed providers, which can include the provider your family already uses if it's licensed. Nannies and informal babysitting generally don't qualify, and neither does K-12 school.

DOES THIS CHANGE MY OWN TAXES?

No. This is a credit for your employer, not a personal deduction. The company spends the money and gets most of it back; what you get is an employer that can afford to help, because the true cost to them is a fraction of the sticker price.

IS THERE A CATCH?

The program has to be open across the workforce, not just to executives; that's a legal requirement and what makes it fair. The company needs to be profitable enough to owe taxes. And the contracts and paperwork have to be done right. None of these are reasons not to act. They are reasons for companies to use a specialist instead of winging it.

WHAT TO DO WITH THIS

Send the note on the next page to whoever handles benefits at your company: HR, the CFO, the office manager, or the owner. Or talk to them in person, with the government's own numbers in your pocket. Prefer to see an estimate for your company first? Email me a rough headcount: jake@arluckconsulting.com.

On paper, links don't click. Scan the code (or type **arluckconsulting.com/toolkit**) for the IRS's own page on the credit, New York's page on its state credit, a plain-English nonpartisan guide, a two-minute cost estimator, and a paste-ready copy of the note on the next page.

The two-minute version, written for whoever owns benefits.

Send it as an email, drop it in Slack, or hand over this page. Edit it however you like; it's yours now. A paste-ready digital copy lives at **arluckconsulting.com/toolkit** (or scan the code below).

Subject: A tax credit that makes child care benefits unusually cheap

Hi [NAME],

I came across something that seems worth a look from whoever owns benefits. As of January, an expanded federal tax credit reimburses employers 40-50% of what they spend helping employees with licensed child care. That's per the IRS's own page (irs.gov, search "employer-provided child care credit"); the Bipartisan Policy Center has a good neutral guide (bipartisanpolicy.org). New York adds a state credit on top (tax.ny.gov, search "employer-provided childcare credit"), so for NY employers the combined recovery is often around 70%, sometimes more.

I got this from a small New York consultancy that sets these programs up: Arluck Consulting, arluckconsulting.com. They coordinate with the company's own CPA rather than replacing anyone, and they answer questions for free: jake@arluckconsulting.com.

Could this make sense for us? It looks like unusually good math for something that would matter to a lot of us.

[YOUR NAME]

IF THEY WANT TO DIG IN

Questions cost nothing: jake@arluckconsulting.com. Your benefits person can also verify everything independently through the links behind the code below before ever talking to us. That's by design.

All the links, clickable: the IRS page, the New York page, the nonpartisan guide, the estimator, and this note as paste-ready text. Scan, or type **arluckconsulting.com/toolkit**.