

199.886 Participation by employer and employee -- Contract -- Payment for costs of service.

- (1) If an employer wishes to provide child-care assistance to an employee as a benefit of employment and participate in this program, the employer may enter into an agreement with its employee and a child-care provider using the standardized contract provided by a third-party administrator.
- (2) To participate in the program, an employer shall do the following:
 - (a) Access the standardized contract created by the cabinet and enter into it with the employee and child-care provider;
 - (b) Submit the proposed contract to the third-party administrator; and
 - (c) Submit any additional information as deemed necessary by the third-party administrator pursuant to KRS 199.884.
- (3)
 - (a) The employer shall submit its contributions for each contract under this program to the third-party administrator, either in lump-sum payments or in accordance with the amount and frequency agreed to in the final contract. The third-party administrator shall distribute the contributions from the employer to the child-care provider along with the state match in a timely manner and in accordance with the contract. In the event that a contract is terminated early, for any reason, the third-party administrator shall remit any remaining funds contributed by the employer for the particular contract back to the employer.
 - (b) If requested by the employer and approved by the third-party administrator and the child-care provider, employers shall have the ability to make contributions directly to child-care providers.
 - (c) All payments to child-care providers shall be made in a timely manner in accordance with each contract's individual stipulations.
- (4) To participate in the program, an employee shall complete the standardized contract with the employer and the child-care provider and provide any additional information as deemed necessary by the cabinet pursuant to KRS 199.884.
- (5) In the event that the agreement includes costs of service not covered by the employer's contribution and the state match, the employee shall make payments to the child-care provider according to the amount and frequency determined by the final contract. If another member of the employee's household or family becomes a party to an agreement in accordance with KRS 199.881 to 199.888, the employer contribution and state match of that agreement may be utilized to pay for costs of service not covered by the employer contribution and state match of the preceding agreement, provided that it does not result in overpayment to the provider.

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History: Amended 2026 Ky. Acts ch. 146, sec. 13, effective April 14, 2026. -- Created 2022 Ky. Acts ch. 184, sec. 6, effective April 8, 2022.