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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 92 LCM-129

Date: August 20, 1992

Division: Income Maintenance

TO: Local District Commissioners

SUBJECT: Need for Timely Processing of Child Care Disregard and
Employment-Related Child Care Supplements for Employed
Caretaker Relatives

ATTACHMENTS: None

91 LCM-181 addressed the child care needs of newly employed public assistance recipients who begin work and need child care in the month prior to the month they actually receive any wages. However, this population is only a portion of the newly employed recipient population with child care needs.

The larger population is comprised of those newly employed recipients who do receive wages in the same month they begin work and need child care. Many experience difficulty paying child care costs in a timely manner because their new budget and child care supplement has not yet been calculated. This can be a particular problem for those recipients using regulated child care arrangements.

The ultimate goal of public assistance is to enable those who can become self-sufficient to eventually leave the assistance rolls. Therefore, it is important to provide in a timely manner to those recipients who become employed, all the supports available and necessary to begin and to continue employment. This is especially true for those who become employed through their own initiative.

To achieve their goals, it is important that whenever recipients with children inform the worker that they are, or will soon become, employed, the worker must ensure that these recipients receive the appropriate child care disregard and supplement, if applicable. A recipient has the right to choose the type of child care the children will receive (i.e. regulated vs. informal). When informed that the recipient is employed or will become

employed, the worker should ask the recipient if the recipient currently has child care, if that is the type of child care the recipient wants and how much it costs. The worker also has an affirmative responsibility to notify the recipient of the availability of, and eligibility for, a child care supplement (as long as the child care is legal care). If the recipient needs assistance in locating child care or in changing the type of child care (i.e. informal to regulated), the worker should refer the recipient to the person, unit or outside agency designated by the Social Services District (SSD) to help secure such care.

When the child care amount is verified, the worker inputs the actual amount of child care costs on the ABEL budget, as well as the proper child care code. ABEL will automatically calculate the child care supplement.

Department regulations 415.5(a), 415.5(f) and 415.8(e)(5) permit local districts to use either advances or reimbursements for child care. Therefore, a child care disregard and supplement may be provided before the child care is actually paid. The cost must, however, be verified. The child care provider can be contacted to verify what the costs will be for the amount of time the recipient will be working. Since the purpose of the disregard and supplement is to enable the recipient to pay for child care, we encourage the use of advance payments whenever necessary to ensure that the recipient is able to maintain employment and child care.

Therefore, to ensure that employment is not lost due to inability to secure and retain child care because the district did not act quickly, we recommend that workers make every effort to rebudget and provide child care disregards and supplements to these cases as soon as possible after the income and child care needs have been reported and verified. The recipient has a responsibility to timely report and to verify any changes in their circumstances, including employment income and child care needs/costs.

For example, a recipient reports and verifies on February 3 that work will begin on February 10 and pay will begin February 14 on a weekly basis. The recipient has enrolled a one year old child in a day care center and verifies the cost. The worker should rebudget the case prior to the next payment (e.g. February 15) to ensure that the disregards are budgeted and that the child care supplement, if appropriate, is authorized.

Likewise, when a recipient reports and verifies that work will start the following month and verifies the amount of the future wages and the future child care costs, the worker should make every effort to rebudget the case and provide the child care disregard and supplement, whenever possible, so that the disregard and supplement will be available when needed (i.e. the month child care costs begin).

For example, a recipient reports and verifies on February 10 that work will begin on March 2 and weekly pay will begin March 6. The recipient has made arrangements for two children to receive child care and verifies the cost and that it is legal child care. The worker should rebudget the case and authorize the child care disregard and supplement, if appropriate, effective with the first payment for March.

Workers should also explain to recipients that:

- o the child care disregarded income amount is the amount that they are required to pay to the child care provider;
- o the disregarded amount will be supplemented up to the actual cost (not to exceed the local market rate) if the provider is legal;
- o the supplement can be provided directly to the provider of child care if the recipient requests.

The supplement is excluded as income for food stamps as a reimbursement. Only child care costs for which the recipient is not supplemented, or otherwise reimbursed, can be considered a dependent care deduction for food stamps.

Any public assistance related questions should be directed to Maureen Standish at 1-800-342-3715, extension 3-6555. Any child care questions should be directed to Dee Woolley at extension 4-9324. Any Food Stamp question should be directed to your county Food Stamp representative at extension 4-9225.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance