



Date: November 16, 2017

DMS Operations Memo 17-55

To: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff

Affected Programs:	
<input type="checkbox"/> BadgerCare Plus	<input type="checkbox"/> Caretaker Supplement
<input checked="" type="checkbox"/> FoodShare	<input type="checkbox"/> FoodShare Employment and Training
<input type="checkbox"/> Medicaid	
<input type="checkbox"/> SeniorCare	

From: Rebecca McAtee, Bureau Director
Bureau of Enrollment Policy and Systems
Division of Medicaid Services

**Policy Change for the Deduction of Dependent Care Expenses
in Determining FoodShare Eligibility**

CROSS REFERENCE

- ACCESS Handbook, [Section 3.1.18.1 Dependent Care Bill](#)
- FoodShare Wisconsin Handbook, [Section 4.6.6 Dependent Care Deduction](#)
- Process Help, [Section 18.4 Dependent Care](#)

EFFECTIVE DATE

December 1, 2017

PURPOSE

The purpose of this Operations Memo is to announce a policy change regarding which expenses may be deducted as dependent care expenses when determining FoodShare eligibility.

BACKGROUND

Currently, income maintenance workers deduct certain dependent care expenses from a food unit's income when determining FoodShare eligibility. Workers determine which expenses qualify for this deduction and enter that amount as an "Allowable Monthly Dependent Care Obligation Amount" on the Dependent Care Obligations / Payments page in CARES Worker Web (CWW).

Dependent care expenses that may be deducted are those that enable an individual in the food unit to do any of the following:

- Keep or maintain employment
- Get training or education in preparation for employment
- Comply with employment and training requirements

- Maintain placement for child(ren) with the current dependent care provider if one or both parents temporarily have lost their ability to meet one of the other requirements

Under current policy, these payments may include transportation provided by the child care provider, but may not include any of the following:

- In-kind payments
- Deductions for the portion an agency (such as the Department of Children and Families through the Wisconsin SHARES program) pays directly to the dependent care provider
- Dependent care provided by a member of the food unit

The Food, Conservation, and Energy Act of 2008 (generally known as the 2008 Farm Bill) eliminated the cap on the amount of dependent care payment that may be deducted.

POLICY

On January 6, 2017, the U.S. Department of Agriculture Food and Nutrition Service published a final rule regarding provisions passed under the 2008 Farm Bill. This rule allows for the costs of care for a child under the age of 18 or an incapacitated person in need of care at any age to be deducted from income as dependent care expenses when determining eligibility for FoodShare. In addition, the final rule broadens the scope of activities defined as dependent care; now the rule allows the deduction of the following expenses:

- Dependent care-related transportation costs, including transportation costs to and from the care provider (such as bus or taxicab fare)
- Costs associated with an activity or other fee associated with the care provided to the dependent deemed necessary to participate in the care (such as the cost of day camp or a field trip)

Note: Under current policy, workers do not need to verify dependent care expenses but should ask for more information if a claimed expense seems questionable. This policy applies to the new allowable dependent care deductions. Questionable dependent care expenses must be separately identified and not have already been paid by another source in order to be allowed.

Attendant care costs for an incapacitated person can be deducted as a dependent care expense or a medical expense, but not as both. In instances where the attendance care cost expense could be treated as either a dependent care expense or a medical expense as a deduction for FoodShare, the expense should be treated as a dependent care expense.

Here are two examples of how the rule should be applied.

Example 1: Ed is a 6-year-old child enrolled in a summer camp, which serves as his dependent care while his mother is working. In addition to basic tuition and fees for bus fare to and from the camp each day, there are optional fees for art supplies to participate in the art classes (\$40) and optional fees for swimming lessons (\$25). Although these fees are optional and payment is not mandatory for Ed to participate, these activities could be considered a specific and identifiable component of the dependent care. For that reason, these fees may be considered dependent care expenses that are not questionable and do not require verification by the worker.

Example 2: Vinny is a 10-year-old child who attends Prestigious Prep Childcare four days a week during the summer while his parents are working. His parents say they pay \$1,000 per week for tuition. The cost of care for Prestigious Prep Childcare seems unreasonably high compared to other costs of care in the area. The worker should request verification of this dependent care expense.

CARES

There is no change to CARES associated with this Memo.

CONTACTS

BEPS CARES Information and Problem Resolution Center

DHS/DMS/BEPS/SM