1.5.12.3 VERIFYING EMPLOYMENT INCOME FOR A SWICA DISCREPANCY

Once a parent has been determined eligible for Wisconsin Shares Child Care, the parent's wages from employment are compared to the information that an employer reports to the Department of Workforce Development (DWD) on a quarterly basis. DWD is the State Wage Income Collection Agency (SWICA); an automated data exchange process matches cases in CARES Worker Web (CWW) with information held by DWD to identify wage discrepancies.

If the wages that the parent reported to the local agency worker as documented in CWW do not match what the employer reported for that individual for that quarter, a SWICA discrepancy will be created in CWW if the discrepancy meets a certain threshold.

Processing SWICA discrepancies is required by federal law (45 C.F.R. s. 205.56). Agencies must resolve at least 80% of SWICA discrepancies within 45 days of receipt of the discrepancy. Resolution of a SWICA discrepancy may vary depending on case circumstances and Child Care and Development Block Grant (CCBDG) policies implemented for the Wisconsin Shares Child Care Subsidy Program as described below.

Upon receipt of the SWICA discrepancy, local agency workers must review the discrepancy to determine if it can be resolved without further verification. For example, the parent may have already reported a bonus or temporary increase in income to the local agency and this information has been entered in CWW. Further verification would not be needed because CWW has more current and accurate information than the SWICA discrepancy. Local agency workers must not pend ongoing eligibility if the SWICA discrepancy only reflects historical information. For SWICA discrepancies that only show historical information and do not impact ongoing eligibility, see Section 4.3.2.

If there were only foster children or children in a court-ordered kinship placement receiving the Kinship Care payment on the case and the case was passing under foster/kinship manual eligibility in CWW, the SWICA discrepancy can be resolved without further verification, even if the SWICA discrepancy indicates that the case was over 85% of the State Median Income (SMI). In these scenarios, the foster or kinship parent's income is not being used to determine financial eligibility and does not need to be verified for financial eligibility (see 1.7.1).

Local agency workers can also resolve a SWICA discrepancy without further verification in the following situations if the SWICA discrepancy shows that income was below 85% SMI during the SWICA quarter and:

- The AG was in Copayment Stabilization each month during the SWICA quarter;
- The AG was in Gradual Phase Out (GPO) or Exit Period during the SWICA quarter, but the income difference for all eligible adults was not $250 or more for any month in the quarter; or
- The AG completed an application or renewal within the SWICA quarter, but the income difference for all eligible adults was not $250 or more for the application or renewal month.

In these situations, a change in income would not have changed the parent's eligibility or subsidy benefit, if the income was below 85% SMI. Beginning with the August 2020 SWICA discrepancy matches, a discrepancy will no longer be created if one of the above criteria are met.

If the SWICA discrepancy cannot be resolved without further verification, the local agency worker must generate a request for verification and allow the parent seven (7) business days to respond (see 1.5.6).

If a parent does not respond to the request for earned income verification, and the AG is not currently in the process of completing an application or renewal for Wisconsin Shares Child Care, eligibility will not

end due to lack of financial verification (see 1.5.12.1). The local agency worker should not take any action to manually end eligibility if the SWICA discrepancy was for a time period during the parent's 12-month eligibility period and the income was below 85% SMI.

If a previous application or renewal was completed during the SWICA quarter and the parent fails to verify the SWICA information, eligibility must end because the parent failed to verify earned income that may have been available at application or renewal (see 1.5.12). See chart below for further process details.

Parents are required to verify financial information when a new person is added to the Assistance Group (AG) (see 1.8.2). If a person was added to the AG during the SWICA quarter and the parent fails to verify the SWICA information, eligibility must end because the parent failed to verify earned income that may have been available at the time of the Person Add. See chart below for further process details.

If the case was over 85% SMI for the SWICA discrepancy quarter and the parent verifies that they are still over 85% SMI, the income should be updated on the Employment page in CWW and eligibility will end due to being over the Wisconsin Shares Child Care program income limit. Eligibility will end according to adverse action (see 1.8.4.1). If the parent does not verify their income and the SWICA discrepancy shows that income was over 85% SMI, eligibility must end because the parent did not report that their income exceeded 85% SMI. See chart below for further process details.

Verifying Income from a SWICA Discrepancy		
SWICA discrepancy was received for which timeframe	**If verified, what happens:**	**If not verified, what happens:**
Initial Application, Annual Renewal, and Income Over 85% SMI	Correct income is used for ongoing benefit calculations. The local agency should complete Post-load Benefit Corrections (PLBCs) for prior month's benefit calculations through the current month (or most recent month for which benefits have been loaded).	Agency worker uses manual override process in CARES Mainframe to fail the case for lack of verification of earned income using reason code 767.
Person Add		Local agency worker uses manual override process in CARES Mainframe to fail the case for lack of earned income verification at Person Add using reason code 759.
During the 12-month eligibility period (Ongoing Eligibility)	Correct income is used for benefit calculations. See next chart for information on copayment changes	Current ongoing eligibility should not end when the SWICA discrepancy was for a time period during the 12-month eligibility period, even if the income from the SWICA quarter is not verified.

If the SWICA discrepancy is for a time during the AG's 12-month eligibility period and the AG is in the Copayment Stabilization period, increases in income will not affect the copayment. If the AG is in either the Gradual Phase Out or Exit period, when the copayment is reactive to income, the copayment may increase. If verified income exceeds 85% SMI, eligibility will end due to being over the Wisconsin Shares Child Care program income limit, regardless of the AG's Copayment Period.

During the 12-Month Eligibility Period	
Copayment Period	**What happens:**
Copayment Stabilization	The copayment amount is not affected by an increase in income during this copayment period (see 2.5.3.1).
Gradual Phase Out (GPO)	The copayment may increase according to the increase in income (see 2.5.3.2).
Exit	The copayment will likely increase according to the increase in income (see 2.5.3.3).

If the increased income would have changed the copayment (or if the local agency worker does not know the impact), the local agency should complete a PLBC in CSAW. PLBCs may need to be created from the time of the increased income through the current month (or most recent month for which benefits have been loaded). See Section 4.3.2 and the Post-load Benefit Correction User Guide for further details.