

# **Caretaker Supplement (CTS) Handbook**

## **Release 16-01**

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# 1 INTRODUCTION

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## 1.1 INTRODUCTION

### **Program History and Authority**

The *Caretaker Supplement* ( *CTS* ) is a cash benefit program. The program's benefit recipients are low-income parents who receive Supplemental Security Income (SSI) payments. These SSI parents receive CTS benefits for each of their eligible children.

Wisconsin's Caretaker Supplement was authorized by 1997 Act 27, which created ss. 49.775. This original statutory language enabled and funded the program and specified the program's basic eligibility requirements. It also included language that specified that the intent of the program was to provide cash benefits to SSI parents who would have met the eligibility requirements for benefits that were in place on July 16, 1996 under Aid to Families With Dependent Children ( *AFDC* ), a program eliminated by the federal government in 1997.

The first Caretaker Supplement benefits were distributed to approximately 5,700 former AFDC recipients for their 11,000 children in December 1997. The initial benefit payment was \$77 per child. Beginning January 1998, the program began paying SSI recipients who had not been receiving AFDC, but whose children met the eligibility requirements for AFDC and would have received AFDC cash and Medicaid benefits had AFDC not been eliminated by the federal government. These CTS-eligible children were identified by their receipt of AFDC-Medicaid in Wisconsin's Client Assistance for Re-Employment and Economic Support (CARES) computer system. AFDC-Medicaid eligibility requirements were identical to AFDC cash requirements, and this methodology for identifying new CTS cases served as a satisfactory proxy until a CTS-specific electronic eligibility determination process could be implemented in CARES.

The benefit payment amount for CTS remained \$77 per month, per child until July 1998, when the payment was increased by the Legislature to \$100 per month, per child. 1999 Wisconsin Act 9 increased the benefit to \$250 per month for the first eligible child and \$150 per month for each subsequent eligible child. This change was effective in November 1999. CTS benefits are never prorated based on the number of days a SSI parent is eligible for any payment month.

During April 2001, the Wisconsin Legislature promulgated Ch. HFS 79, an administrative rule that enabled the Department of Health Services to recover CTS benefit payments that were incorrectly made, due to ineligibility or overpayment, to SSI recipients.

Appendix 1, State Statutes and Codes contains current statutory language governing the Caretaker Supplement benefit.

On January 25, 2002, CTS became a unique program of assistance in Wisconsin's CARES system. Local economic support agency workers began using this computerized system to process applications, determine eligibility and generate notices and payments for CTS effective with payments for March 2002.

As of September 2008, approximately 6,000 SSI families were receiving Caretaker Supplement benefits for their children.

### **Benefit Funding**

In 2003, CTS benefits totaled approximately \$29.5million. Caretaker Supplement benefits are funded by a combination of Wisconsin general purpose revenue tax dollars (GPR) and federal Temporary Assistance to Needy Families (TANF) dollars. The portion of CTS funding that is derived from GPR dollars is utilized by the Department of Health and Family Services (DHFS) to meet Wisconsin's federally imposed maintenance of effort requirement for Supplemental Security Income. For SSI purposes, CTS benefits are viewed as part of Wisconsin's SSI state supplemental payment. After DHFS counts its GPR funded portion of CTS toward its SSI maintenance of effort requirement, the remainder of CTS benefit funding is supported by TANF dollars.

In turn, these TANF dollars are counted by Wisconsin's Department of Workforce Development (DWD) toward its federally imposed TANF maintenance of effort.

### **Program Administration and Partnerships**

The Caretaker Supplement is administered by the Wisconsin Department of Health and Family Services and local county and tribal economic support agencies. The local agencies are the point of application and eligibility determination for CTS. DHFS contracts with several data processing firms to manage the CARES related aspects of the program and to process SSI payments, to which CTS benefits are added.

Illustration 1 in [5.4 Illustrations](#) depicts these administrative relationships.

Persons who need to report a lost or stolen SSI check that includes Caretaker Supplement or who need a CTS benefit history must contact Member Services at 800-362-3002. Requests for CTS benefit histories may also be faxed to 608-221-0991.

Misdirected SSI benefit checks must be mailed to:

DHS/ State SSI  
P.O. Box 6680  
Madison, Wisconsin 53716-0680.

For assistance with all matters related to application, eligibility, payment amount, appeals and grievances, etc., however, recipients or their representatives must contact their county or tribal economic support agency.

The Wisconsin Department of Workforce Development receives this state's block grant for TANF funding and is therefore responsible for meeting the TANF reporting requirements specified by the federal Administration for Children and Families (ACF) and completing the federal ACF-199, TANF Data Report. The DHS assists in this activity by providing monthly payment, eligibility and demographic information to DWD regarding CTS related TANF expenditures.

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## 2 PURPOSE OF THE HANDBOOK

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### 2.1 PURPOSE OF THE HANDBOOK

#### **General Purpose**

The purpose of this handbook is to provide county and tribal agency economic support workers and other interested parties with a narrative description of program history, administration, eligibility and resource materials. This handbook is complimentary to the electronic eligibility determination made using the CARES system and is not intended to provide step-by-step instruction to determine eligibility. However, application of the policies and procedures in Section III, Program Eligibility of this handbook to any family configuration should result in an accurate assessment of whether **CTS** eligibility criteria are met for the group.

#### **Consistency With **AFDC** -Medicaid Policy and Procedure**

Eligibility determination processing for CTS using the CARES system was built on the program that existed in CARES for AFDC-Medicaid, because the requirements for program eligibility are almost identical. For this reason, any county or tribal agency economic support worker with experience handling eligibility determinations for AFDC-Medicaid will find that the policy and procedures described in this handbook are familiar. Policy for Medicaid described in the [Wisconsin Medicaid Handbook \(MEH\)](#) is applicable to CTS and is, therefore, not reiterated in this CTS handbook.

Administrative procedures related to managing applications, reviews, verifications, notices to recipients, etc. are detailed for local agency workers in the DHS [Income Maintenance Manual \(IMM\)](#). Information and requirements specified in the IMM also generally apply to Caretaker Supplement.

The reader will find that not every policy or procedure stated in the MEH or IMM apply strictly to **Caretaker Supplement**. Common sense should be used when MEH or IMM policies or procedures are applied. When CTS policy or procedure directly conflict with the MEH or IMM, defer to the CTS policy or procedure that is clearly stated in the Caretaker Supplement Handbook.

Local economic agency workers may also rely on training materials available on the training website published by the Department of Health Services at: <http://www.uwosh.edu/ccdet/DHFS/lc/default.htm>

## 2 Purpose of the Handbook

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## 3 ELIGIBILITY

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### 3.1 NONFINANCIAL

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#### 3.1.1 Application

Application for **CTS** is made at county or tribal economic support agencies. These agencies are generally located within the county or tribal human services or social services department. Application for CTS may be made by phone, mail or in person.

Face-to-face contact between the applicant and agency personnel is not required. CTS application forms and instructions ([F-22571A](#) and [F-22571](#)) are available on the DHS forms repository at <http://dhs.wisconsin.gov/forms/>.

Anyone may apply for **Caretaker Supplement**. Once an individual has filed an application for CTS, the local agency has 30 days to process the application. The local agency may extend the application processing period when there are no longer ten days remaining in a month after the date on which an applicant was asked to provide verification of information.

Generally, an applicant for CTS is an SSI parent or the head of a family requesting assistance. Most often, application for CTS is processed simultaneously with applications for Medicaid, FoodShare, or Child Care assistance. The local agency will use the CARES system to enter the application and determine eligibility. The CARES system is programmed to test all cases for CTS, unless the applicant has specifically told the local agency worker that he or she is not applying for CTS.

Local agency workers can use the CARES system to determine eligibility for CTS back to January 1998, as long as the parent had requested public assistance and had an open assistance case in the CARES system for each month of CTS retroactivity. It is also very important that CTS payments made to parents before CTS became a program of assistance in CARES are not duplicated.

### 3.1.2 Standard Filing Unit (SFU)

When determining whether a possible CTS assistance group exists for any application, CARES configures a standard filing unit (SFU). This is a methodology for determining which members of a household must be taken into consideration when determining whether the non-financial and financial requirements of CTS are met. This methodology was first used when **AFDC** was available to residents of Wisconsin, and is used for CTS today, because CTS eligibility is built on the former requirements for the now defunct AFDC .

The SFU process will build a CTS case around a specific child, identifying the adults and other children who are also part of the CTS case and potentially able to garner CTS benefits that will be added to the parent's SSI payment.

To establish the SFU, determine whether the household contains at least one SSI parent caring for at least one minor child. Often, several children fit this criterion in a single household, so identify the "target child" around whom the CTS case will be built. Use either one of the following choices to determine which child in a household should be the target child:

1. First Choice for Target Child:  
The oldest minor child in common for parents in the household.
2. Second Choice for Target Child:  
The oldest child of the person identified by CARES as the Primary Person, when there are no dependent children in common or the only dependent children in common receive SSI, themselves.

Whenever the Primary Person in a case does not have any dependent children, or when all of the primary person's children receive SSI, it is not possible for a household to receive CTS.

The most typical family configuration seen among CTS applicants consists of a single parent with minor children or 18-year-old offspring who meet the AFDC criteria for dependence. The second most common CTS family configuration occurs when two recipients of SSI live in a household with their minor children, some or all of whom do not receive SSI, themselves. There are many family configurations that include CTS recipients, however. See [5.4 Illustrations](#) for twelve examples.

After determining the target child, the SFU process requires that the natural or adoptive parents of the target child are included in the filing unit, along with any minor siblings or

half-siblings of the target child. Parents of half-siblings are also included in the filing unit. Finally, minor siblings who have been married, but whose marriage was annulled, are included in the filing unit.

Some members of a household are not included in the SFU. Currently married or divorced persons under the age of 18 are not considered minor children for CTS purposes and are not included in the SFU. Step-siblings, step-parents, any children of the target child and all other relatives and non-relatives who live in the household are excluded from the SFU.

SSI parents are not permitted to voluntarily exclude any person from the SFU who would otherwise be automatically included. For instance, a parent may not opt to exclude a minor child who has income from wages from the SFU, when this income will cause the rest of the group to be income ineligible for CTS.

After determining which members of the household are in the SFU, we must determine which members are potentially eligible for CTS cash assistance. At this point, we begin to refer to the people who have become members of the SFU as the assistance group, or "AG."

### **3.1.3 Definition of CTS Eligibility**

A CTS-eligible parent is a recipient of SSI who has met all financial and non-financial requirements for CTS. The CTS grant amount will include \$0 for the parent, however. A CTS eligible child is a minor child or dependent 18-year-old who has met all financial and non-financial eligibility requirements for CTS. The CTS grant amount will include cash benefits for each eligible child. Any parent who is pregnant cannot be eligible for CTS benefits for the fetus until the child is born.

### **3.1.4 SSI Eligibility in Wisconsin**

The relationship between parents and children and eligibility for SSI cash benefits in Wisconsin is very important in any CTS case. Parents in a CTS assistance group must be current recipients of SSI state supplemental benefit payments in Wisconsin. CTS parents may be eligible for both federal and Wisconsin State Supplemental SSI payments (SSP) or for SSP payments only, as a *grandfathered state-only SSI recipient*.

SSI or CTS benefits cannot be paid for any month to any federal SSI recipient whose state of jurisdiction is not Wisconsin. This means that the federal Social Security Administration (SSA) has classified the parent(s) SSI as within the jurisdiction of Wisconsin and has passed this status on to DHS via federal/ state SSI data exchange. Local agency workers have access to EDSNET/ WSSI screens to verify whether Wisconsin has been assigned as the state of jurisdiction for a recipient of SSI.

Eligibility for federal SSDI benefits does not qualify a parent as a CTS parent. Neither does eligibility for Medicaid under s. **1619(b)** of the Social Security Act, which is a Medicaid benefit for former SSI recipients whose earnings from work cause them to be ineligible for SSI cash benefits. Either the federal SSA or Wisconsin DHS may designate an individual as eligible for Medicaid under s. 1619(b). However, a child who receives Medicaid under s. 1619(b) may be eligible for CTS, because he or she does not receive SSI cash benefits.

Children for whom SSI parents receive CTS may not be receiving SSI themselves. However, any child who formerly received SSI and has appealed the termination of SSI (without continuation of cash benefits pending the outcome of the appeal) may be eligible for CTS, even though his or her Medicaid under SSI has continued. When both parents of any CTS eligible child are in the home, both must be receiving SSI in Wisconsin as a condition of CTS eligibility.

### **3.1.5 Citizens and Aliens**

Any person who is not a U.S. citizen must meet one of the following criteria in order to be potentially eligible for CTS:

1. Be lawfully admitted to the U.S. for permanent residence
2. Be lawfully present in the U.S. pursuant to 8USC 1153, 1157, 1158, 1160 and 1182
3. Be granted lawful temporary resident status under 8 USC 1161 or 1255a and be:
  - a. A Cuban or Haitian applicant [PL 96-422, 501(e), (1) or (2) (A) effective 4/1/83], or
  - b. Not a Cuban or Haitian applicant, but adjusted to lawful temporary resident status more than 5 years before the CTS application date
4. Be otherwise permanently residing in the U.S. under the color of law (PRUCOL), with evidence of approved PRUCOL status. Lawfully admitted aliens who are not eligible for CTS because they are here temporarily include tourists, visitors, students and diplomats.

### **3.1.6 Wisconsin Residency**

Recipients of CTS, both parents and children, must currently reside in Wisconsin and intend to remain in Wisconsin.

### **3.1.7 Living Arrangement**

Recipients of CTS, both parents and children, must reside in a qualified living arrangement. The following are CTS qualified arrangements:

1. Independent home, apartment or mobile home
2. Shelter for battered woman/ domestic abuse

3. Homeless
4. Hospital, short term
5. Section 202/236 housing

### **3.1.8 Temporary Absence**

Unlike some other programs of public assistance, CTS does not allow eligibility in cases where parents or children are temporarily absent from the home.

### **3.1.9 Household Relationship**

Household relationships are a key component of CTS eligibility. SSI parents must be caring for their own children, by birth or adoption, in order to qualify for CTS. This means that the parent resides with the child and provides the majority of physical care and financial support and functions in the parental role. When two SSI parents live with their children in common, only one of these parents may be identified as the parent who is caring for their children. When a SSI recipient is a minor parent who resides with his or her child and there are adults in the household, the minor parent must be the person caring for the child, not the adults in the household.

### **3.1.10 Joint Custody Arrangements**

When custody of a child is shared between parents, the parent with whom the child resides the majority of the time is identified as caring for the child for CTS purposes.

When the natural or adoptive parents of a child do not live together, and have joint custody (through a mutually agreed upon arrangement or court order) and you cannot determine who the child is living with the majority of the time, act on the CTS case as follows:

1. Determine if the agreement or court order awarding joint custody designates a "primary caretaker." A parent designated as the primary caretaker is the primary person.
2. If one parent is not designated, ask the parents to decide which one is the "primary caretaker." If they decide within the 30-day processing, act on the application as based on what they decided.
3. If no decision is made within the 30 days of the application date, review the parents' activities and responsibilities to determine which parent is the primary caretaker. Use the list below:

a.

This list is not exclusive, and there may be situations where you find additional criteria to apply.

There are cases in which these questions may be answered positively for both parents. However, in reviewing parental responsibilities and roles, usually you will find one parent more often identified. Identify this parent as the primary person for determining eligibility.

Document your decision in the case record.

### **3.1.11 18-Year Old Students**

State statute defines CTS eligible children as minors or dependent 18-year-olds. Dependent 18-year-olds are young adults who reside with at least one parent and who have not yet reached their 19th birthday. Furthermore, dependent 18-year-olds must be enrolled in school and expected to graduate prior to attaining age 19. It is very important that both SSI parents and local agency workers anticipate the change in status when CTS-eligible children attain the age of 18 years, in order to prevent unnecessary CTS payment termination. When dependent 18-year-olds are home-schooled, the parent must provide written documentation of expected graduation date from the home-schooling association or agency. It is irrelevant to CTS eligibility whether minor children are enrolled in school.

### **3.1.12 SSN Requirement**

Each member of any CTS household must provide his or her Social Security Number (SSN) as a condition of eligibility. When an infant is added to the household, either by birth or adoption, the SSN of the infant must be provided to the local agency prior to the date the infant reaches 6 months of age.

### **3.1.13 Cooperation With Child Support (CS) Agency**

Whenever a potentially eligible child in a CTS household has an absent parent, the parent that is caring for the child must cooperate with the conditions of the local child support agency. If the parent does not cooperate or discontinues cooperation, CTS application or eligibility will be ended. When a CTS eligible parent has children who have different absent parents, the CTS-eligible parent must cooperate with the child support agency in regard to each child's absent parent.

### **3.1.14 Prohibition Against Concurrent Eligibility With W-2 or Kinship Care**

CTS benefits may not be paid to a SSI parent for the same month for which the parent participated in W-2 and received W-2 cash benefits. Receipt of W-2 benefits is defined as the month in which the parent is participating in, and

eligible for, W-2 services, regardless of when the parent will receive the payment for that month. Similarly, CTS benefits may not be paid to a SSI parent for a month in which a grandparent or other non-legally responsible relative received Kinship Care benefits for caring for a potential CTS eligible child.

### **3.1.15 Verification**

CTS applicants and recipients must provide verification of required information in order for a local agency to process an application or review of eligibility for CTS.

The verification requirement applies to both non-financial and financial information. Failure to provide required verification will result in termination of CTS benefits. The following information must be satisfactorily verified when CTS eligibility is being determined:

- Social Security Number
- Citizenship or Alien Status
- School Enrollment for 18-year-olds
- Income Earned from Employer
- Income Earned from Self Employment
- Unearned Income (i.e., Social Security)
- Child Support (Received or Paid)
- Pregnancy of Minor Child
- Property (land, stocks, etc., transferred in past 36 months)

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## **3.2 FINANCIAL**

### [3.2.1 Income](#)

#### [3.2.1.1 Child Support](#)

#### [3.2.1.2 Income Tests](#)

#### [3.2.1.3 American Recovery and Reinvestment Act of 2009](#)

### [3.2.2 Assets](#)

#### [3.2.2.1 American Recovery and Reinvestment Act of 2009](#)

### [3.2.3 Divestment](#)

After determining non-financial eligibility for **CTS**, the financial situation of the household is considered. When determining initial or ongoing financial eligibility for CTS, both income and assets are counted. Income and assets of any members of the assistance group who receive SSI are disregarded.

### **3.2.1 Income**

Income of adults and children is counted prospectively when determining eligibility for CTS. Both earned income from work and unearned income, such as Social Security benefits, are counted.

Some income is not received regularly; it is paid in a lump sum amount. Examples are refunds and backpay awards from Social Security or unemployment compensation insurance, union settlements and compensatory time pay-outs or windfall payments like lottery winnings, personal injury awards or inheritances. Lump sum payments are counted as either earned or unearned income in the month they are received. When the dollar amount of the lump sum makes the group ineligible for CTS, ineligibility may continue beyond the month the lump sum was received. The number of total months of ineligibility is calculated by dividing the group's income by the Assistance Standard for the group size ([5.2 Income Tables](#)).

#### *3.2.1.1 Child Support*

Effective January 1, 2010, disregard all child support, including the assigned and the directly received portions, when determining eligibility for the CTS program. This income is to be disregarded for the gross and net income tests. If child support back payments are received as a lump sum, they are not subject to the lump sum policy. However, unspent child support income is still considered an available asset in the month after it was received.

#### *3.2.1.2 Income Tests*

Each group applying for CTS must pass two income tests.

The Gross Income Test compares the gross income to the gross income limit ([5.2 Income Tables](#)). This test looks at gross deemed, earned and unearned income, including that of minors. Any CTS assistance group that passes this test may proceed to the final income test, the Net Income Test.

The Net Income Test compares the income that remains after certain deductions to the Net Income Limit, or Assistance Standard ([5.2 Income Tables](#)). Deductions from gross income that are allowed in this test include:

1. \$90 work related expense for each employed/ self employed individual
2. Dependent care deduction of \$200 per month for each child under the age of 2 and \$175 per month for each incapacitated adult and each child age 2 or older
3. Disregard of \$30 or \$30 and 1/3 of earned income (when applicable)
4. Child support paid to someone outside of the assistance group

The Net Income Test includes the income of all minors, regardless of their school status or number of hours of employment, at application for CTS. For employed minors who have received CTS in one of the previous four months, use the following to determine how to count earned income:

1. Do not count the employment income of full-time students, regardless of the number of hours worked per week.
2. Do not count the employment income of part-time students working less than 30 hours per week.
3. Count the employment income, but apply \$90 and \$30 and 1/3 disregards, of any part-time student working 30 hours or more per week.
4. Count the employment income, but apply \$90 and \$30 and 1/3 disregards, of any minor that is not in school.

#### *3.2.1.3 American Recovery and Reinvestment Act of 2009*

Disregard the one-time payment of \$250 to persons receiving Social Security Benefits as a result of the American Recovery and Reinvestment Act of 2009 (Economic Stimulus Package). Payments have been received in May or June 2009.

### **3.2.2 Assets**

With the exception of SSI recipients, the assets of all members of the CTS single assistance group are counted when determining asset eligibility for CTS. The combined assets owned by the assistance group are totaled and counted toward a \$1,000 asset limit. Liquid assets include, but are not limited to, cash and savings, cash value of life insurance policies, U.S. Savings Bonds, proceeds from a loan (if available for living expenses), equity value of any non-home real property. Some exclusions apply:

1. One irrevocable funeral trust per group member and one burial plot per group member are disregarded.
2. Student loans are disregarded.
3. Irrevocable trusts are exempt assets.
4. Earned Income Tax Credits (EITC) are disregarded in the month of receipt and the following month.
5. The first \$1,500 equity value of one vehicle is disregarded.

Sometimes assets are owned by more than one person. When this occurs, CTS policy requires that each person be assigned an equal share of ownership.

#### *3.2.2.1 American Recovery and Reinvestment Act of 2009*

Disregard as an asset the one-time payment of \$250 to persons receiving Social Security Benefits as a result of the American Recovery and Reinvestment Act of 2009 (Economic Stimulus Package) in the month of receipt and for nine months after receipt. Payments have been received in May or June 2009.

### **3.2.3 Divestment**

Divestment is the change of legal title or other right of ownership to non-exempt real or personal property, within 2 years of the date of application for CTS, for less than fair market value (minus the cost of the transaction). Divestment may make the group ineligible for CTS for a period of time. Divestment does not occur when property is

divided in a divorce action, repossessed, lost due to foreclosure, or when an inheritance is disclaimed.

Anyone who divests within 2 years before the date of application or within 2 years of the date of a CTS eligibility review is presumed to have divested to receive CTS. The person who divests and anyone for whom s/he is legally responsible and for whom CTS is requested are ineligible for CTS.

If the amount divested by a CTS group, plus their other assets, total less than \$1,000, the divestment is not a barrier to eligibility for CTS.

If the amount divested by a CTS group, plus their other assets, total more than \$1,000, the divestment is a barrier to eligibility for CTS until 2 years have passed or the group has expended an amount equal to the divestment. Calculating this expenditure involves comparing the divested amount to the group's incurred medical expenses, plus the Assistance Standard ([5.2 Income Tables](#)) for the family size. Once the group expends enough, the divestment is cured.

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### **3.3 EXCEPTIONAL ELIGIBILITY**

### 3.3.1 Non-Marital Co-parents

In a decision dated and released on September 30, 1996, the U.S. Court of Appeals, District IV, ruled in the case of Buening v. Wisconsin Department of Health and Social Services that special consideration must occur when the income of non-marital co-parents is calculated in **AFDC** and AFDC Medicaid eligibility determinations. For the sake of simplicity, cases to which this court decision applies are referred to as Buening cases. Since **CTS** eligibility is based on criteria that applied to AFDC eligibility prior to the elimination of AFDC by the federal government in 1997, the Buening decision applies to CTS.

Buening cases occur in two-parent households in which the parents have a child in common and the income of the non-SSI eligible parent and the child in common causes any child(ren) of the SSI parent to be financially ineligible for CTS. See [5.4 Illustrations](#), Scenario 12 for a visual depiction of a Buening case configuration. The ruling states that any half-siblings and their associated parent are to be excluded from the SFU if it is determined that the half-sibling, his/ her full siblings and his/her parent are not needy.

To meet the definition of needy, three conditions must be true:

1. The child of the non-SSI parent is deprived and
2. The income and assets for the non-SSI parent and child(ren) are below the AFDC eligibility limits and
3. The child is under the care of a qualified relative

A child is considered deprived when a parent is continuously absent from the home. If all three conditions are true, the child(ren) in common is considered needy. The whole group is considered one SFU and remains together. If at least one of the three criteria is not met, the child(ren) in common are not considered needy. The child(ren) in common and their non-SSI parent must be excluded from the CTS SFU and financial testing to allow the SSI parent's child(ren) to be tested for CTS alone.

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## 4 ADMINISTRATIVE POLICY AND PROCEDURE

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### 4.1 BENEFIT ISSUANCE

#### [4.1.1 Electronic Eligibility Interface](#)

#### [4.1.2 Manual Benefits](#)

##### 4.1.1 Electronic Eligibility Interface

Once **CTS** eligibility is determined by a local agency worker using the CARES system, the names, payment months and SSNs of CTS eligible parents and children are transmitted by the CARES system to the DHS SSI program. Data processing for the SSI program is performed by a firm under contract to DHS. The current provider is EDS, a firm that also manages the data for eligibility and provider certification for Wisconsin's Medicaid program.

The transmission of CTS eligibility data from CARES to the SSI program is referred to as an interface. Data is interfaced twice per month from CARES to the SSI program.

The initial interface occurs immediately after CARES processes eligibility for all programs of assistance for the following month (CARES adverse action date). A second interface occurs on the last date possible in order to have CTS benefits included in the first of the month SSI payment received by the SSI eligible parent (CARES benefit issuance pull-down date).

Although the CTS data interface occurs twice per month, local agency workers can determine and confirm CTS eligibility on any day of the month. The CARES system holds the information on file until the next scheduled interface date. An example of a typical monthly interface schedule may be seen in Illustration 3 of [5.4 Illustrations](#), CTS Interface Timeline.

CTS payments are made on the first of the month for that month. When a local agency worker confirms eligibility for CTS for the following month prior to the second monthly interface date, the CTS payment will appear on the SSI parent's SSI payment on the first of the next month. However, if a local agency worker confirms eligibility for any month after the second interface date, the CTS benefits will remain on file in the CARES system, awaiting the first interface in the following month.

##### 4.1.2 Manual Benefits

With two exceptions, the SSI program will always accept the interfaced information and add any CTS benefits to a SSI recipient's payment. These two exceptions are:

1. When there is no record of the parent's eligibility for SSI in Wisconsin at the State SSI Program.

2. When the CTS parent's state SSI payment has been suspended due to lack of current address or when the representative payee for the SSI payment is changing.

When the first exception occurs, the SSI program will contact the local agency worker regarding the discrepancy. These instances should be very rare, since the local agency worker has several tools available to verify SSI eligibility in Wisconsin and the CARES system regularly receives automatic updates of SSI eligibility information. When the second exception occurs, the payment will remain on file and will be dispersed to the parent when the suspension is cleared.

Due to a limited set of circumstances, an electronic interface of CTS eligibility and payment information is not possible. One such situation arises when, after benefits have been interfaced for a given month, the parent is found to be eligible for payment for an additional child; usually this child is a newborn or has returned to the home from another living arrangement, typically foster care. Another instance occurs when a SSI parent who has been receiving CTS is found to be eligible for SSI for a previous time period. CTS benefits for this previous time period must be manually authorized by the local agency worker.

When manual benefit authorization is required, local agency workers complete and fax form [F-22564](#) "Authorization For Retroactive *Caretaker Supplement* (CTS)" to the SSI program. The SSI program insures that the benefit is included with the SSI parent's next scheduled SSI payment.

Detailed instructions are available to guide local agency workers in identifying situations where manual authorization for CTS benefits is required. See the [CTS : Running With Dates Desk Aid](#) for more information.

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## 4.2 BACKDATING ELIGIBILITY

In limited circumstances, local agency workers may use CARES to determine eligibility and electronically interface **CTS** benefits for previous time periods.

The most common instance of backdating occurs when, even after a grace month, the parent has not complied with review requirements and the CTS assistance in a CARES case has closed. The worker may reopen the CTS assistance in this case if the parent requests CTS and complies with requirements within the first month the CTS assistance is closed in CARES.

Another common instance of backdating occurs when a parent with an open CARES case is unexpectedly awarded **Supplemental Security Income (SSI)** eligibility to a month earlier than the present month. In this case, the local agency worker may adjust dates in CARES to allow the initial CTS eligibility begin with the first month of SSI eligibility (assuming all CTS criteria were also met by the assistance group). However, backdating to the SSI start date is allowed only when the assistance group has been an open assistance case in CARES for the entire period of backdating. In this case the month of “application for assistance” is considered to be the application date of the most recent continuously open case in CARES.

Under no circumstances may CTS benefits be paid for a month during which the assistance group was not an open case in the CARES system.

In cases not involving retroactive SSI eligibility, such as when someone already receiving SSI opens a FoodShare or Health Care case in CARES, CTS eligibility may not start any earlier than the month of the earliest application/request for CTS.

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### **4.3 RECOUPMENT OF INCORRECT BENEFITS**

Occasionally **CTS** benefits are overpaid. This most often occurs when, in retrospect, it is determined that a SSI parent was ineligible for CTS because his or her child(ren) was out of the home, the child received SSI for the month in question, the parent's SSI eligibility was retroactively denied by the Social Security Administration, or the parent provided fraudulent information that lead to CTS eligibility.

Since CTS benefits are paid as part of the parent's SSI benefit payment, the SSI program must be the entity that recoups overpaid benefits. The CARES system is not used to track benefit recovery. However, the local agency worker must determine when an overpayment has occurred and complete and fax DDES form 2565, Authorization for Recoupment of Caretaker Supplement (CTS) to the SSI program.

The SSI program will establish a recoupment account on the parent's SSI file and send notice of the overpayment to the SSI parent. This notice will include the following information:

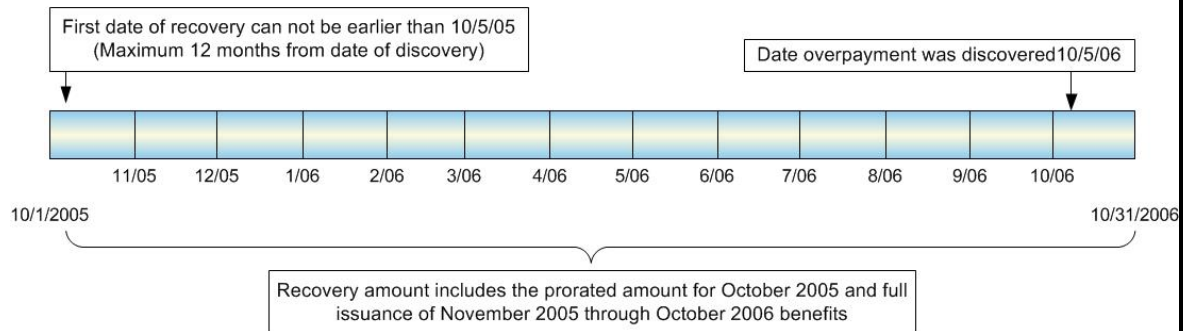
1. Amount by month overpaid
2. Recoupment schedule
3. Appeal rights and procedures

State statute permits the SSI program to collect 10 percent of each future SSI payment (which may include CTS benefits) until an overpayment is repaid. SSI parents may repay the entire amount owed in a single payment, or negotiate with the SSI program for a payment schedule that is higher than 10 percent per month.

Incorrectly paid CTS benefits cannot be recovered for more than 12 months prior to the date of discovery of the incorrect payment. Agencies administering CTS shall ensure that recovery of incorrectly paid CTS benefits extends no more than 12 months back from the date of discovery.

Date of discovery means the actual date, not the month of discovery. Unless the discovery is made on the first of the month, the overpayment amount for the first month will need to be prorated. To prorate the overpayment amount, divide the monthly payment amount by the number of days in that month and round down to the nearest dollar. Then multiply the result by the number of days subject to recovery in that month.

**Example 1:** A worker discovers on October 5, 2006 that an overpayment of CTS benefit exists because the child, for whom the benefit was being paid, was not living in the home since August 1, 2005. CTS closes effective November 1, 2006. Recovery can only extend back 12 months from date of discovery. In this case only the benefits paid from October 5, 2005 to October 31, 2006 can be recovered.



If the CTS payment was \$250, the overpayment amount is calculated as follows:

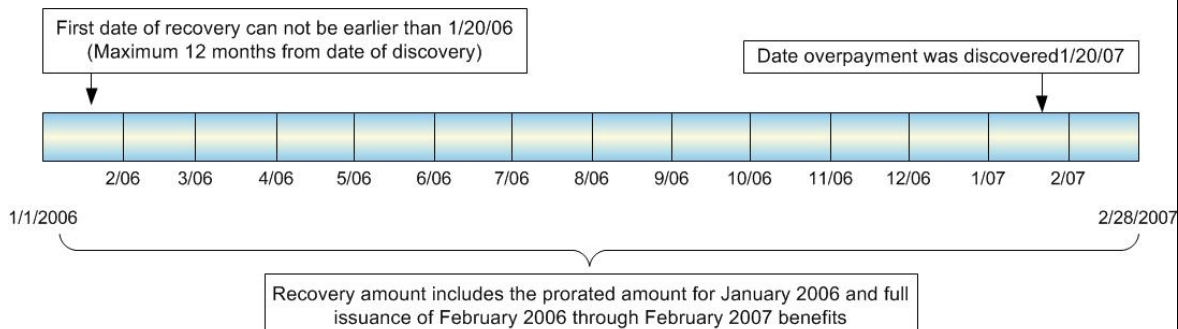
October 2005 prorated amount is \$217 ( $\$250 \div 31 \text{ days} \times 27 \text{ days} = \$217$ ) because the error was discovered on the 5th of the month

November 2005 – October 2006 = \$3,000 ( $\$250 \times 12 \text{ months}$ )

Total Overpayment is \$3,217 (\$217 + \$3,000).

**Example 2:** The worker discovers on January 20, 2007 that the recipient's assets exceeded program limits as of January 1, 2005 (CTS closes effective February 28, 2007 following adverse action notice).

Since the discovery date is 1/20/07, the overpayment can only extend back to 1/20/06 (twelve months from the discovery date).



If the CTS payment was \$250, the overpayment is calculated as follows:

January 2006 prorated amount is \$96 ( $\$250 \div 31 \text{ days} \times 12 \text{ days} = \$96$ ) because the error was discovered on the 20th of the month.

February 2006 – February 2007 ( $\$250 \times 13 \text{ months} = \$3,250$ )

Total overpayment \$3,346 (\$96 + \$3,250).

CTS overpayments that occur because the worker cannot give proper (timely) notice and close the case by the end of the current month are also recoverable.

**Example 3:** On December 21, 2006, the worker learns that a child moved out of the home on December 19, 2006 and the case is no longer eligible for CTS. The worker enters the new information into CARES but the CTS eligibility does not end until January 31, 2007.

The benefits paid in January are subject to recovery since the parent was not eligible for them, but they continued until adverse action notice could be provided.

Voluntary repayments of CTS overpayments may be addressed to DHS, State SSI Program, P.O. Box 6680, Madison, WI 53716-0680.

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## 4.4 ELIGIBILITY REVIEW

Eligibility for **CTS** must be reviewed and reconfirmed every 12 months. The local agency worker is responsible for this process. The CARES system will automatically identify when a CTS case needs review and will trigger notice of the impending review for the worker and SSI parent. Reviews may be face-to-face, by phone or by mail and the signature of the SSI parent on any review documents does not need to be witnessed.

A 12 month certification period will be set at application and renewal. When a FoodShare or Health Care renewal is completed, the agency should also collect the asset and school enrollment information needed to consider it a CTS renewal as well.

Every SSI parent is granted one grace month of eligibility before a CTS case will close due to lack of an eligibility review.

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## 4.5 NOTICES

Any SSI parent who applies for **CTS** must be notified about the status of his or her application (approved, denied, or pending the receipt of additional information), in writing, within 30 days of application for benefits. Twenty days notice must be given to SSI parents when any action or event occurs that will adversely affect their ongoing CTS benefits. These notices must cite applicable statute, include reason for any **adverse action** and state the benefit month and amount granted. Notices must also identify the responsible local agency worker, provide contact information, and identify appeal rights and mechanisms.

Generally, the CARES system will electronically produce and mail notices appropriate to each activity, i.e., eligibility, review, verification required, change in benefits. Workers can view these system-generated notices by logging into the CARES system. However, when a worker has undertaken a manual eligibility determination or made a case change for CTS, notices must be created manually, also. Manual notices must contain all of the elements required included in CARES system-generated notices.

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## 4.6 RIGHTS AND RESPONSIBILITIES

**CTS** applicants and recipients are afforded specific rights and assigned specific responsibilities. These numerous right and responsibilities are made known to applicants and recipients at the time of application, review, **adverse action** and notice of overpayment. They are enumerated on the CTS application form, [DDE-2571](#).

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## 4.7 FAIR HEARING

**CTS** applicants who are denied CTS eligibility and ongoing CTS recipients who are given notice of **adverse action** (benefit reduction, termination or overpayment and recoupment) have a right to a fair hearing regarding the agency action. The right to a fair hearing and hearing procedures are specified in ss. Ch. 227, Administrative Procedure and Review. Customers have up to 45 days after the effective date of an adverse action to appeal a decision.

Requests for hearings should be addressed to:  
Department of Administration  
Division of Hearings and Appeals  
P.O. Box 7875  
Madison, Wisconsin 53707-7875.

The [Division of Hearings and Appeals \(DHA\)](#) will arrange for a hearing examiner to hear the appeal at the local agency office or by phone. Notice of the place and time for the hearing and the hearing decision will be sent to the SSI parent, his or her representative, the local agency, and the SSI program. In some instances, when the

recipient requests a hearing before the effective date of the adverse action, the DHA will order continuation of CTS benefits pending the outcome of a hearing. When this occurs, the local agency worker is responsible for assuring that benefits continue.

When benefits have continued and the decision of the hearing examiner is not in the SSI parent's favor, the parent is responsible for repaying any benefits for which he or she was not entitled.

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## 5 APPENDIX

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### 5.1 STATE STATUTES AND ADMINISTRATIVE CODE

#### State Statutes:

- See 49.77 State Supplemental Payments and
- 49.775 Payments for the support of children of supplemental security income recipients

#### DHS Administrative Rule

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### 5.2 INCOME TABLES

#### [5.2.1 CTS Gross Income Limits](#)

#### [5.2.2 CTS Gross Income and Pregnancy Allowance](#)

#### [5.2.3 Counties by Area](#)

#### [5.2.4 CTS Assistance Standard \(Net Income Limits\)](#)

#### [5.2.5 CTS Assistance Standard and Pregnancy Allowance](#)

#### 5.2.1 CTS Gross Income Limits

Group Size	Area I	Area II
1	\$576	\$557
2	\$1,018	\$987
3	\$1,197	\$1,159
4	\$1,429	\$1,386
5	\$1,640	\$1,593
6	\$1,773	\$1,719
7	\$1,919	\$1,863
8	\$2,034	\$1,976
9	\$2,130	\$2,067
10	\$2,182	\$2,115
11	\$2,228	\$2,161
12	\$2,274	\$2,208

Add \$25 per person for groups larger than 12.

**5.2.2 CTS Gross Income and Pregnancy Allowance**

Group Size	Area I	Area II
1	\$707	\$689
2	\$1,149	\$1,118
3	\$1,329	\$1,290
4	\$1,560	\$1,517
5	\$1,771	\$1,725
6	\$1,904	\$1,850
7	\$2,050	\$1,995
8	\$2,165	\$2,108
9	\$2,261	\$2,198
10	\$2,313	\$2,246
11	\$2,359	\$2,293
12	\$2,405	\$2,339

Add \$71 for each additional pregnant woman in the group.

Add \$25 per person for groups larger than 12

**5.2.3 Counties by Area**

Area I Counties (all other counties are Area II)			
Brown Dane Dodge Dunn Eau Claire Fond du Lac Kenosha	La Crosse Marathon Manitowoc Milwaukee Oneida Tribe Outagamie Ozaukee	Racine Rock St. Croix Sheboygan Washington Waukesha Winnebago	Winnebago Tribe (if residing on tax-free land in La Crosse or Marathon Counties.)

**5.2.4 CTS Assistance Standard (Net Income Limits)**

Group Size	Area I	Area II
1	\$311	\$301
2	\$550	\$533
3	\$647	\$626
4	\$772	\$749
5	\$886	\$861
6	\$958	\$929
7	\$1,037	\$1,007
8	\$1,099	\$1,068
9	\$1,151	\$1,117

10	\$1,179	\$1,143
11	\$1,204	\$1,168
12	\$1,229	\$1,193

### 5.2.5 CTS Assistance Standard and Pregnancy Allowance

Group Size	Area I	Area II
1	\$382	\$372
2	\$621	\$604
3	\$718	\$697
4	\$843	\$820
5	\$957	\$932
6	\$1,029	\$1,000
7	\$1,108	\$1,078
8	\$1,170	\$1,139
9	\$1,222	\$1,188
10	\$1,250	\$1,214
11	\$1,275	\$1,239
12	\$1,300	\$1,264

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## 5.3 FORMS AND PUBLICATIONS

- [Information about Caretaker Supplement](#) (PDF, 7 KB) (PSL-3110)
- [Caretaker Supplement Instructions for Application](#) (PDF, 25 KB ) (DDE-2571A)
- [Caretaker Supplement Application](#) (PDF, 20 KB) (DDE-2571)
- [Addendum to Applicant/Registration for Wisconsin Works \(W-2\) Services, Caretaker Supplement \(CTS\), Child Care Assistance, Medicaid/Healthy Start, and Food Stamps](#) (DWSP-2378-1)

- [Authorization for Retroactive Caretaker Supplement \(CTS\)](#) (PDF, 24 KB) (DDE-2564)
- [Authorization for Recoupment Caretaker Supplement \(CTS\)](#) (PDF, 19 KB) (DDE-2565)
- [CTS: Running with Dates Desk Aid](#) (PDF, 53 KB)

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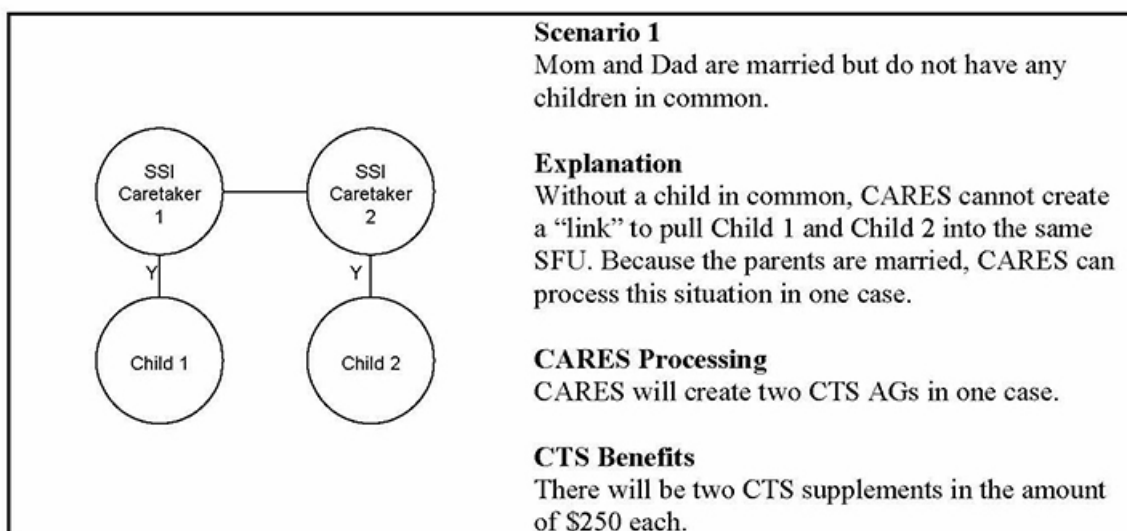
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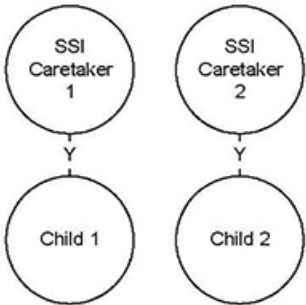
## 5.4 ILLUSTRATIONS

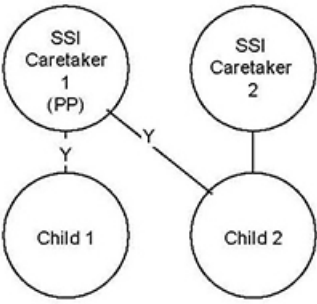
### [5.4.1 Scenarios](#)

### [5.4.2 Flows and Timelines](#)

#### 5.4.1 Scenarios

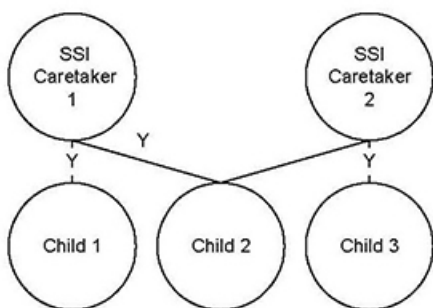


 <pre> graph TD     C1((SSI Caretaker 1)) --- Y1((Y)) --- C1c((Child 1))     C2((SSI Caretaker 2)) --- Y2((Y)) --- C2c((Child 2))         </pre>	<p><b>Scenario 2</b> Two SSI caretakers are living together in one household. They are not married and do not have any children in common.</p> <p><b>Explanation</b> Without a child in common, CARES cannot create a “link” to pull Child 1 and Child 2 into the same SFU. Because the parents are not married, CARES cannot process this situation in one case.</p> <p><b>CARES Processing</b> This household must be processed in two cases.</p> <p><b>CTS Benefits</b> There will be two CTS supplements in the amount of \$250 each.</p>
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 <pre> graph TD     C1c((SSI Caretaker 1 (PP))) --- Y1((Y)) --- C1((Child 1))     C1c --- Y2((Y)) --- C2((Child 2))     C2c((SSI Caretaker 2)) --- Y3((Y)) --- C2     C1c --- Y4((Y)) --- C2c         </pre>	<p><b>Scenario 3</b> The parents in this household are not married. They have at least one child in common. One of the parents has his/her own child(ren).</p> <p><b>Explanation</b> The oldest child in common is the target child. The child in common provides a link for his/her siblings to be pulled in to the SFU.</p> <p><b>CARES Processing</b> Parents should be coded on ANHR as caring for all of their children. Because Caretaker 1 is the parent for both Child 1 and Child 2, that parent is coded as caring for both children on ANHR.</p> <p>This will produce one AG in CARES.</p> <p><b>CTS Benefits</b> The CTS supplement will be \$400, paid to Caretaker 1.</p>
---	---

**Scenario 4**

The parents in this household are not married. They have at least one child in common and each has his/her own child(ren).

**Explanation**

The child in common provides a link to his/her siblings to be pulled in to the SFU.

**CARES Processing**

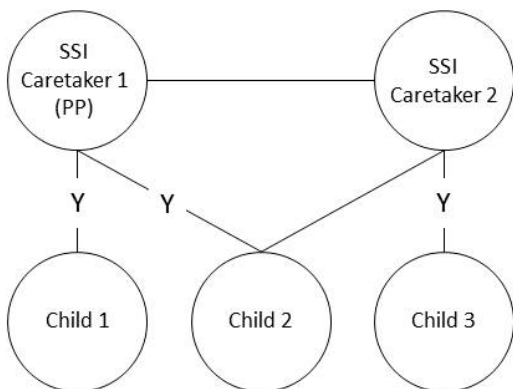
Because everyone is pulled into one SFU, this scenario will be processed in one AG. Because Caretaker 1 has no qualifying relationship to care for Child 3, Child 3 cannot be included in his/her CTS supplemental payment.

**CTS Benefits**

A CTS Supplement will be added to each parent's state SSI payment. Caretaker 1 will receive a \$400 payment; Caretaker 2 will receive a \$250 supplement.

**Scenario 5**

Mom and Dad are married. They have at least one child in common and each has his or her own child(ren).

**Explanation**

The child in common provides a link to his or her siblings to be pulled in to the SFU.

**CARES Processing**

Because each SSI caretaker is caring for his and her own child, there will be two AG's for this case, just like in Scenario 4.

**CTS Benefits**

A CTS supplement will be added to each parent's SSI payment. Caretaker 1 will receive a \$400 payment; Caretaker 2 will receive a \$250 supplement.

```

graph TD
    C1((SSI Caretaker 1  
(PP))) --- Y1(Y) --- C1c((Child 1))
    C2((SSI Caretaker 2)) --- Y2(Y) --- C1c
    C2 --- Y3(Y) --- C2c((Child 2))
    C3((SSI Caretaker 3)) --- Y4(Y) --- C2c
            
```

**Scenario 6**  
There are more than 2 parents in the household, all of which have children, and more than one in common with another parent.

**Explanation**  
In this scenario, the target child will be the oldest child in common and will pull in all of his/her siblings. Pulling in those siblings will also pull in their parents.

**CARES Processing**  
This particular scenario will be one SFU and one AG (everyone is pulled into the group.)

In this scenario, it is important to analyze which parent has the most children in the household; who is the primary caretaker of the majority of the children. That parent (in this diagram, Caretaker 2) should be coded as caring for all of his/her children on ANHR.

**CTS Benefits**  
This case will be paid one CTS supplement to Caretaker 2 in the amount of \$400.

```

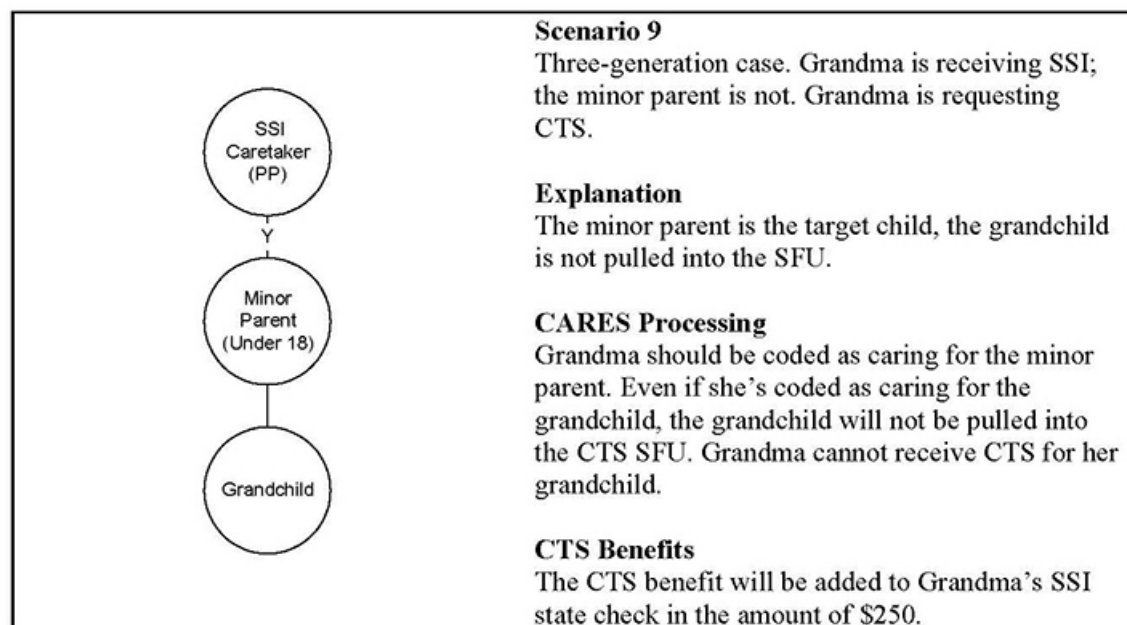
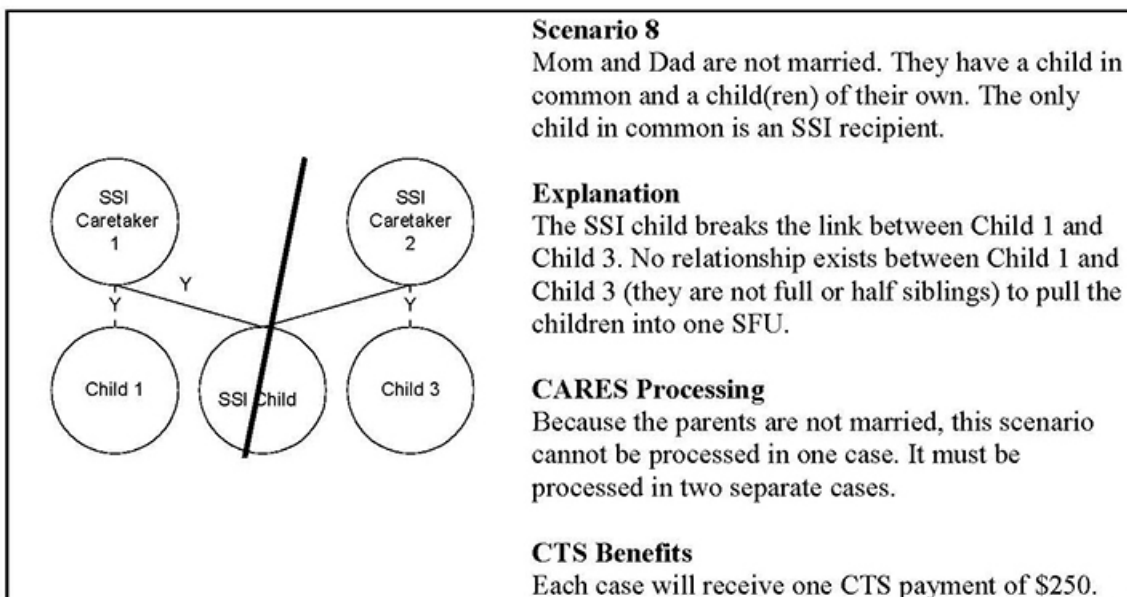
graph TD
    C1((SSI Caretaker 1)) --- Y1(Y) --- C1c((Child 1))
    C2((SSI Caretaker 2)) --- Y2(Y) --- C2c((SSI Child))
    C2 --- Y3(Y) --- C3c((Child 3))
            
```

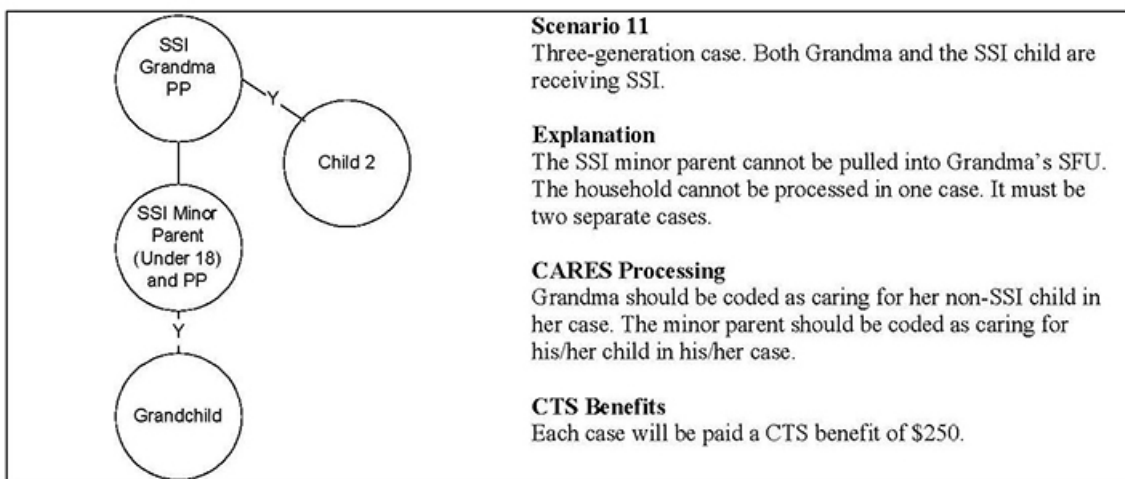
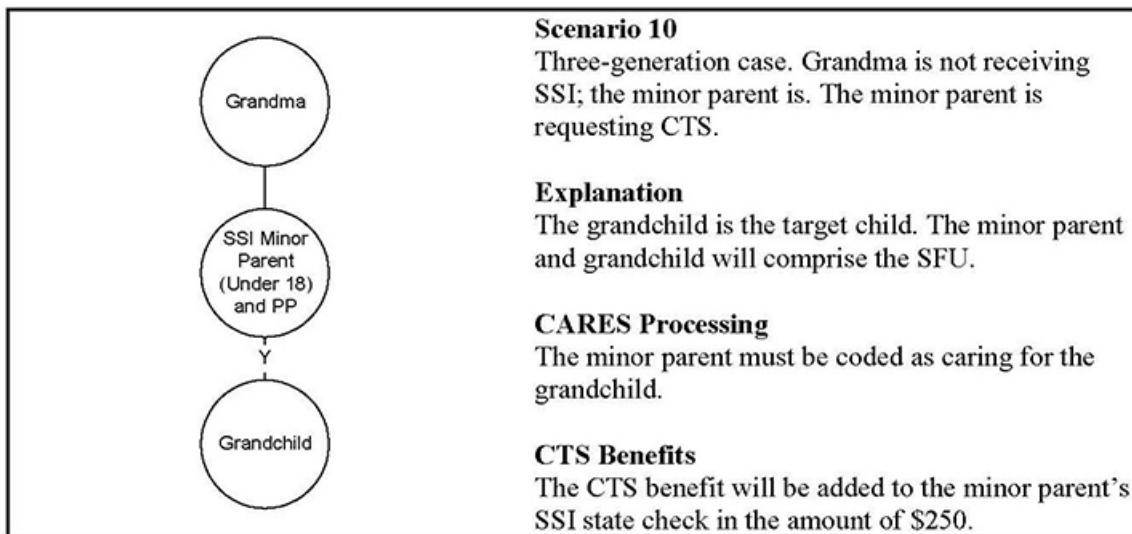
**Scenario 7**  
Mom and Dad are married. They have a child in common and a child(ren) of their own. The only child in common is an SSI recipient.

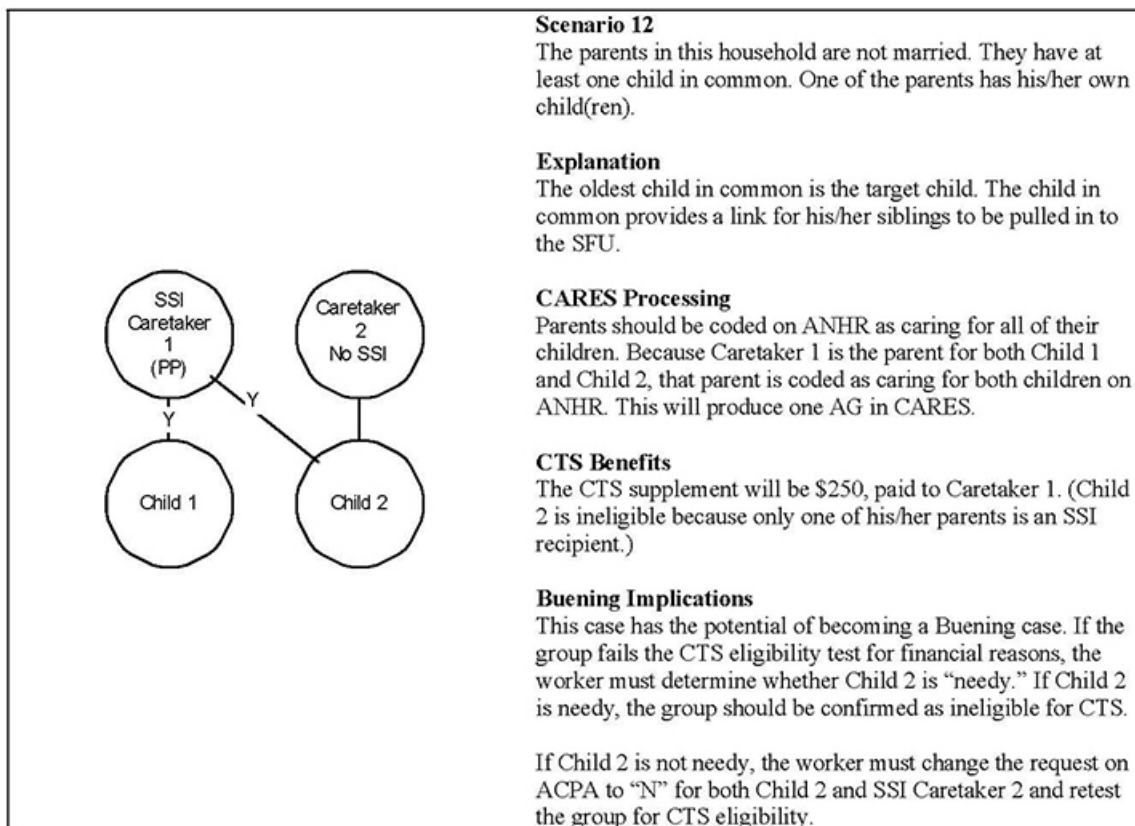
**Explanation**  
The SSI child breaks the link between Child 1 and Child 3. No relationship exists between Child 1 and Child 3 (they are not full or half siblings) to pull the children into one SFU.

**CARES Processing**  
Because the parents are married, this scenario can be processed in one case, 2 AGs.

**CTS Benefits**  
This case will receive two CTS payments of \$250 each.







#### 5.4.2 Flows and Timelines

### CTS Administration and Partnerships

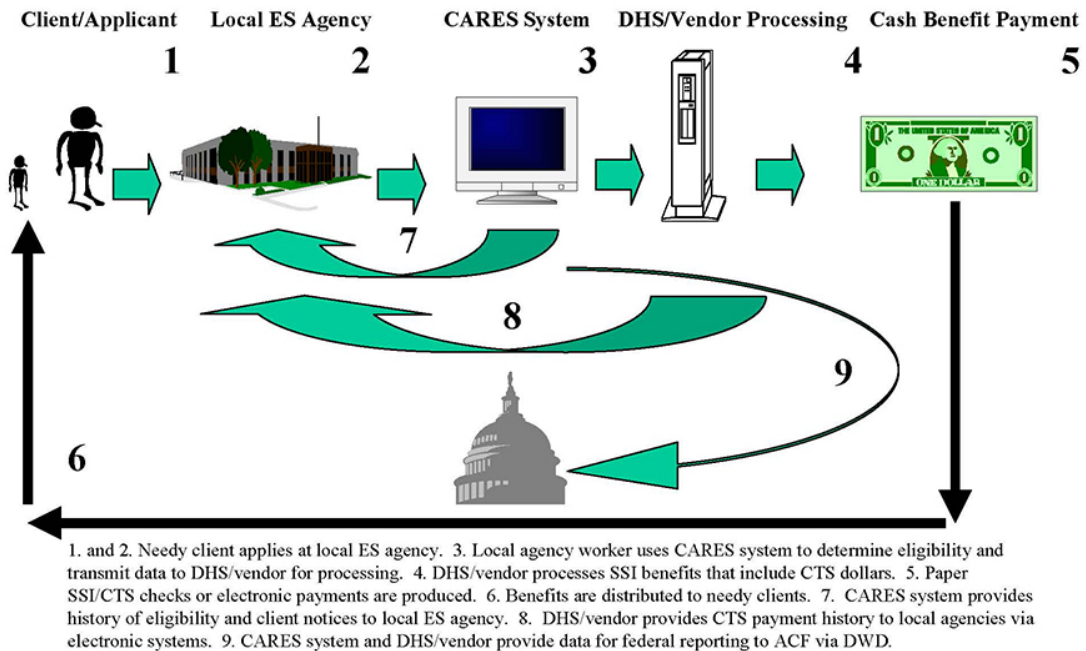
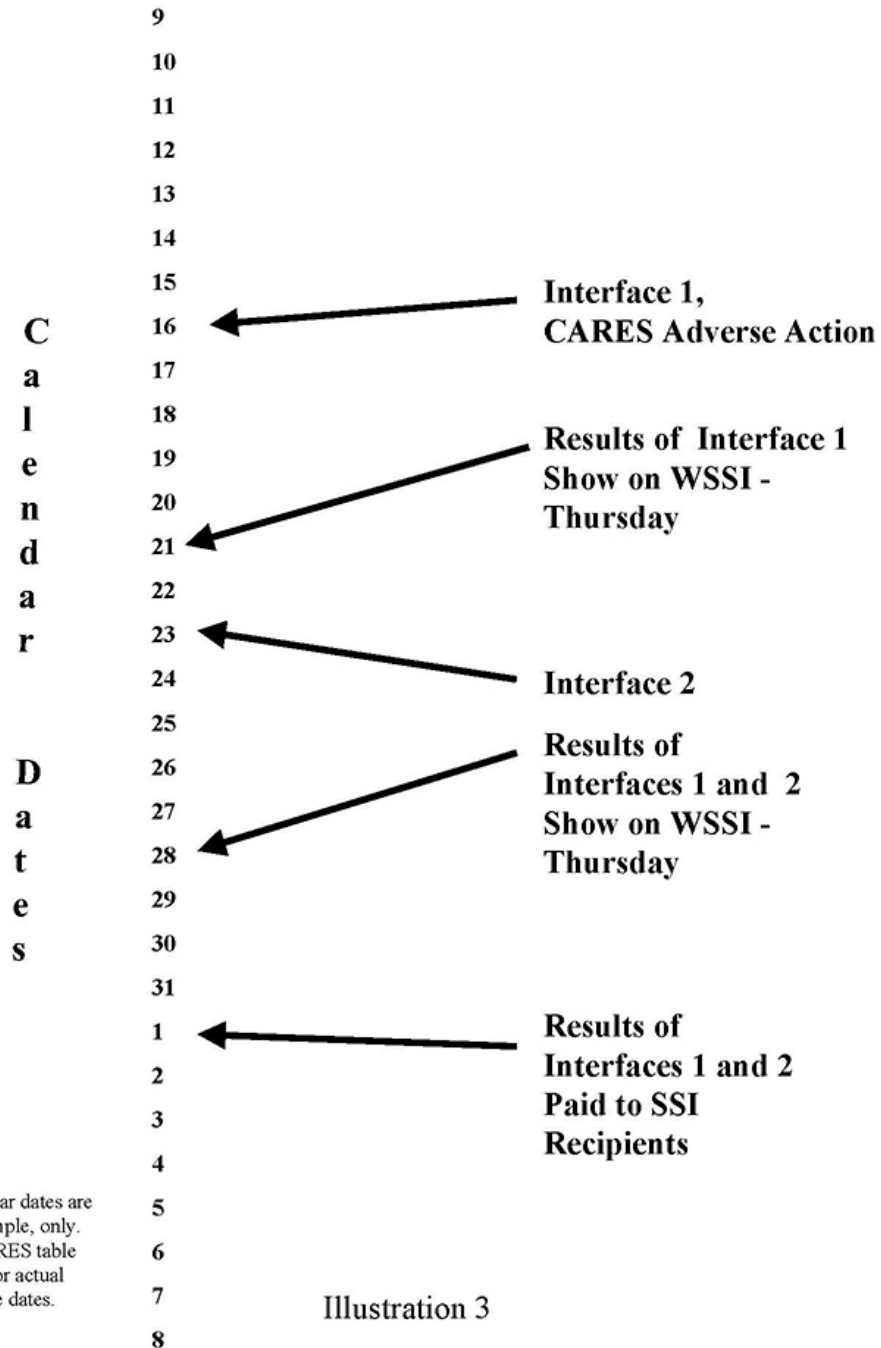


Illustration 1

### CTS Interface Timeline\*



\*Calendar dates are for example, only. See CARES table TCTS for actual interface dates.

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