

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
BISMARCK, NORTH DAKOTA
February 27, 2017**

IM 5293

TO: County Social Service Directors
Economic Assistance Policy Regional Representatives
Economic Assistance Policy Quality Control Reviewers

FROM: Carol Cartledge, Director, Economic Assistance

SUBJECT: Dependent Care Costs

PROGRAMS: Supplemental Nutrition Assistance Program (SNAP)

EFFECTIVE: March 1, 2017

RETENTION: Until superseded

SECTIONS

AFFECTED: Dependent Care Costs 430-05-55-25

The SNAP Eligibility, Certification, and Employment and Training Provisions of the Food, Conservation, and Energy Act of 2008 eliminated the cap on deduction for dependent care expenses. In addition, the rule allows for the inclusion of dependent care related transportation costs and activity fees. Dependent care costs are deductible for children under the age of 18 and for people with incapacities of any age.

Dependent Care Costs 430-05-55-25

Households must verify current month or base month dependent care expenses at initial application and review. The out-of-pocket ~~child care~~ dependent care expense including dependent care related transportation costs and activity fees incurred by the household is are an allowable ~~child care~~ dependent care deduction expenses.

A Dependent care expenses are only allowable deduction for care of a child under age 18, incapacitated household member, or other aged or disabled dependent ~~is allowed~~ when necessary for a household member to:

- Accept or continue employment.
- Seek employment.
- Attend training or pursue education preparatory to employment.

~~Child care costs are allowable for children under age 16~~ If a child turns age ~~16~~ 18 during the review period, the ~~child care~~ dependent care costs will continue to be allowed until the next review as this does not meet the criteria to decrease benefits.

Incapacitation refers to any permanent or temporary condition that prevents an individual from participating fully in normal activities, including but not limited to work or school, without supervision and that requires the care of another person to ensure the health and safety of the individual, or a condition or situation that makes lack of supervision risky to the health and safety of that individual.

If the household incurs dependent care costs that could qualify as both a medical deduction and dependent care deduction, the costs may be deducted as a medical expense or a dependent care expense, but not both.

Allowable dependent care related transportation costs are expenses incurred for the travel time spent transporting a dependent to and from care.

An activity fee is an expense associated with a structured care program. The activity should both be necessary for the dependent to experience the typical daily activities offered in the care.

EXAMPLES:

- The cost of an art class for an after-school program
- Additional equipment fees charged for attending a sports camp

- The cost of a field trip
- Supply fees

The portion of child care dependent care costs expense that will be reimbursed are not allowable.

Dependent care expenses will be allowed only if the service is provided by someone outside the SNAP household.

Example:

Grandma, mom and child are all one SNAP household.

Grandma is providing child care for the child and receiving a Child Care Assistance payment of \$300. Mom is paying out of pocket expenses to grandma of \$50. The \$300 Child Care Assistance payment is counted as earned self-employment income to grandma. The \$50 mom is paying grandma out of pocket is not counted as income to grandma and is not allowed as an expense for mom.

When the child care expense is greater than the Child Care Assistance Program (CCAP) payment, the out-of-pocket child care expense incurred by the household is an allowable child care ~~deduction~~ expense.

Example:

The child care expense for one child is \$250 and child care assistance reimburses the household \$100 that is applied toward that child care bill, for SNAP purposes:

1. Disregard as income the \$100 child care assistance payment.
2. Allow a child care ~~deduction~~ expense in the amount of \$150 (\$250 total child care expense incurred minus the \$100 child care payment).

If a TANF household chooses the option of receiving a work related child care disregard from the TANF grant, SNAP will count the amount of the

TANF grant as unearned income and allow the household a deduction for child dependent care expenses.

At application, anticipated expenses for the first two months are allowed as an ~~deduction~~ expense based on verification from the provider, information from the household, and the worker's prudent judgment.

When a CCAP application is pending, allow the entire child care expense as a ~~deduction~~ until the certificate has been issued and the first CCAP billing form is received. When the certificate has been issued and the billing form is received, the worker must act on the change based on simplified reporting requirements.

Examples:

1. Ongoing SNAP household applies for CCAP and is issued a certificate on August 5, however no billing form has been received. The entire child care expense continues to be allowed for September as a ~~deduction~~ as a CCAP billing form was not received. The household provides a CCAP billing form on September 17. Since the household's out of pocket cost based on the sliding fee scale will result in a decrease in benefits, the entire child care expense continues to be allowed until review.

2. New application for SNAP and CCAP.

If the CCAP certificate is issued and the billing form received prior to authorizing the SNAP case, the out of pocket costs based on the sliding fee scale are allowed as an ~~deduction~~ expense for SNAP.

If the SNAP case is authorized prior to the CCAP certificate being issued and/or the billing form being received, the entire out of pocket cost continues to be allowed. Once the certificate is issued and the billing form received, the household's out of pocket cost based on the sliding fee scale will result in a decrease. The entire child care expense continues to be allowed until review.

At review if the household anticipates no changes in child dependent care expenses, use base month or current month verified expenses. If not

anticipating a change and household fails to provide verification of base month or current month, ~~no deduction~~ the expense is not allowed.

For ongoing cases, if a change is anticipated and it will result in an increase in SNAP benefits, it must be verified before it can be allowed.

Changes resulting in a decrease must not be acted on until review.

If the household fails to complete a redetermination for CCAP, the entire out-of-pocket costs must be anticipated.

Examples:

1. Ongoing SNAP and CCAP household has a review due for CCAP and a review for SNAP in March. If the SNAP review is processed prior to the CCAP review the household's out-of-pocket expense would be used based on the existing certificate that ends in March and the most current billing form received. The household failed to complete the CCAP review in March. In April, the worker must send the F419 requesting verification of child care expense. If the household provides the verification, the worker must anticipate the full child care expense and increase benefits. If the household fails to provide the required verification, the worker will continue to use the out-of-pocket child care expense previously used in determining April SNAP benefits.
2. Ongoing SNAP and CCAP household has a review due for CCAP and a review for SNAP in March. Both reviews were completed. The household's out-of-pocket child care expense would be anticipated for April based on the new certificate and the most current billing form received, taking into consideration any anticipated changes reported and verified by the household.

3. Ongoing SNAP and CCAP household has a review due for CCAP and a review for SNAP in March. If the SNAP review is processed prior to the CCAP review the household's out-of-pocket expense would be used based on the existing certificate that ends in March and the most current billing form received.

If you have any questions, please contact your Regional Representative.