

# **NEW CHILD CARE REQUIREMENTS!!!!!!!**

## **DETERMINING SELF-EMPLOYMENT INCOME AND HOURS**

**This impacts the following program: All Division of Family Development (DFD) Child Care Programs**

**The following procedures will be effective for applications submitted on or after January 1, 2017**

The purpose is to provide you with information about changes to the Department of Human Services (DHS), Division of Family Development's (DFD) Child Care Subsidy Program. Please read this carefully as it contains information that may have an impact on your child care services.

### **Verifying Self-Employment Income**

Effective January 1, 2017 the method of verifying self-employment income for applicants/co-applicants applying for or being redetermined for the New Jersey Child Care Subsidy Program will change.

The Internal Revenue Service (IRS) Schedule C (Form 1040) Profit or Loss from Business (Sole Proprietorship) or Schedule C-EZ (Form 1040) Net Profit from Business (Sole Proprietorship) will be the only forms accepted for eligibility consideration.

To qualify, an applicant must meet the following eligibility criteria:

- Hours worked from self-employment must meet DFD's minimum requirement for initial eligibility or redetermination
- Self-employment income from line 7 of IRS Schedule C (Form 1040) or from line 1 of the Schedule C-EZ (Form 1040) must meet DHS/DFD income eligibility requirements and must be confirmed by a current IRS Income Tax Return Transcript. Information on requesting a free tax transcript can be found at <https://www.irs.gov/individuals/get-transcript> or by calling 1-800-908-9946.

Applicants/co-applicants who cannot produce a tax transcript will be ineligible. This means that income from a new business that has yet to file taxes cannot form the basis of eligibility for program entry.

Cases that do not meet the new policies for self-employment criteria cannot receive a subsidy for child care services.

As a reminder, failure to report changes impacting the need and eligibility for child care within the required time period may result in repayment of your child care subsidy.

If you have any questions regarding this information, please call your local Child Care Resource and Referral (CCR&R) Agency (Urban League of Hudson County, Inc.)