



TO: **Child Care Eligibility and Authorization Workers
and Supervisors
Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
Training Staff
Child Care Coordinators**

DECE/BCCSA OPERATIONS MEMO

No: 22-24

DATE: 10/28/2022

Child Care

FROM: Junior Martin, Director
Bureau of Child Care Subsidy Administration
Division of Early Care and Education
Department of Children and Families

SUBJECT: Changes to Self-Employment Eligibility and Authorization Policy

CROSS REFERENCE:

[Wisconsin Shares Handbook](#)

Section 1.3.8.2.2 Self-Employment

Section 1.4.5.4 Self-Employment Income

Section 1.5.12.1 Self-Employment Financial Eligibility Verification

Section 2.4.3.5 Authorizations for New Self-Employment

Section 2.4.3.6 Authorizations for Ongoing Self-Employment

Section 2.4.3.7 Self-Employed Foster Parents

Operations Memo 21-11 Changes to Wisconsin Shares Child Care

Self-Employment Policy (Obsolete)

[Wis. Stat. s. 49.155\(1m\)\(c\)1](#)

[Wis. Admin. Code DCF s. 201.036\(3m\)](#)

[Wis. Admin Code. DCF s. 201.039 \(8m\)](#)

EFFECTIVE DATE: December 1, 2022

PURPOSE: This Operations Memo introduces changes to Wisconsin Shares eligibility and authorization requirements for parents who are engaged in self-employment as their approved activity.

BACKGROUND: Changes are being made to the Wisconsin Shares Handbook to reflect the changes to Administrative Rules DCF 201.036(3m) and DCF 201.039 (8m) that became effective on January 1, 2022. These changes include:

- Requiring parents to file and provide personal and business taxes with the IRS if the previous year included income from self-employment
- Requiring the business to have an annual net income of \$400 or more when a self-employment business is ongoing to qualify as an approved activity.

- Limiting “new” self-employment to a one-time, full-time authorization up to 50 hours per individual; all authorizations for subsequent “new” instances of self-employment is based on the average monthly gross self-employment income divided by Wisconsin’s minimum wage, then divided by 4.3 weeks.
- Clarifying that the 24-month clock continues to count down even if the parent loses eligibility or closes the self-employment business.

POLICY:

NEW POLICY: The following new policy highlighted in yellow will be added to the Wisconsin Shares Handbook with the next release. Policy with a ~~red strikethrough~~ is being deleted or moved.

5.1.1.1 Self-Employment

(Formerly Section 1.3.8.2.2 Self-Employment)

Self-employment is an approved activity for Wisconsin Shares. However, self-employment as an unregulated child care provider is not allowable as an approved activity.

Parents who are self-employed must file taxes with the Internal Revenue Service (IRS) for the self-employment to be an approved activity.

After the annual renewal that follows the 24th month of new self-employment, the self-employment only qualifies as an approved activity if annual net business income equals \$400 or more. An ongoing business that generates less than \$400 annual net income is considered a hobby for Wisconsin Shares purposes and not an approved activity.

Identifying Self-Employment

Agency workers should review the questions/statements below to determine if a parent is self-employed or employed when it is unclear whether the activity is employment or self-employment. Not all questions are applicable to all self-employed parents, and the answers to some of these may resolve the question of employment or self-employment without needing to answer further questions. For example, receipt of an IRS Form 1099 is enough to show that it is not an employee-employer relationship.

1. Does the parent have, or have they applied for a tax ID number? If the business has employees, an Employer Identification Number (EIN) is required by the IRS. Some businesses use the individual’s SSN to report their earnings.
2. Does the parent receive an IRS Form 1099 at year end? If so, they are self-employed. If they receive a W-2 Wage and Tax Statement, they are employed.
3. What is the nature of the business? If the parent states they are a farmer, do they have their own farm or work on someone else’s farm?
4. Who are their customers? The parent should be able to explain to whom they provide their product or service.
5. Does the business have an online presence? Most businesses have a website, advertise online, and/or have a social media account.
6. Does the parent maintain a separate location to deliver their product or service? A self-employed hair stylist can rent a work space in a salon where they use their own equipment.

7. Does the parent set their own hours, provide materials, and use their own tools and equipment?
8. Does the parent incur the main expenses related to the services that they perform under contract? A self-employed truck driver owns their truck and pays for insurance, repairs, and maintenance.
9. Does the parent have a contract to provide goods or services? A construction business has a contract with the customer for building a new home.
10. Does the parent receive compensation for services performed under a contract on a commission or per-job basis and not on any other basis? If the parent is paid a salary, they typically are not self-employed but employed.
11. Does the parent use a business bank account related to the services they provide?
12. Does the parent use their privately owned vehicle to provide a service? An Uber driver uses their own vehicle for providing transportation to customers.
13. Does the parent have recurring expenses, such as liability insurance?
14. Does the parent have a license if a license is required for their business? If the parent reports they are a real estate agent, hair stylist, or plumber they must obtain a license to do business in Wisconsin.
15. Does the success or failure of the parent's business depend on the relationship of business income to expenditures?
16. Does the parent work in and around the house under the direction of the person who owns the home? If so, they are a household employee, not self-employed.

After reviewing these statements, if it is still unclear if the parent has valid self-employment, the agency worker should contact the Child Care Help Desk at childcare@wisconsin.gov for assistance.

Example 1 (Employment): Sarah works for her neighbor, Betty. Betty pays Sarah in cash, with no taxes withheld. Sarah cleans Betty's home, mows her lawn, does her laundry, and anything else that Betty asks of her. Because Sarah is working under the direction of Betty, this is employment, not self-employment.

Example 2 (Self-employment): Rochelle decides that she is going to open her own cleaning business. She will drive to different homes, use her own cleaning supplies, and control her own work schedule. Rochelle is self-employed.

Example 3 (Employment and self-employment): Steve works for Smith Farms during the week taking care of the animals on the farm, under the direction of Mr. Smith. Mr. Smith instructs Steve as to what jobs need to be done during the workday on the farm and pays him cash. Steve also has his own landscaping business. Mr. Smith is one (1) of Steve's customers for whom he mows the lawn. Steve indicates to Mr. Smith what days and times he will be there to mow the lawn and provides his own lawn equipment. Steve is an employee of Smith Farms, but his landscaping business is self-employment.

Example 4 (Employment): Chelsea goes to Sabrina's home to care for her children for 40 hours every week. Sabrina controls Chelsea's work and how the work is done. Chelsea is Sabrina's household employee.

Example 5 (Self-employment, unregulated child care provider): Judy runs a baby-sitting service in her own home. She only cares for one (1) child at a time. She is not certified or licensed according to Wisconsin child care provider regulations. Judy is self-employed. However, her self-employment is not an approved activity for Wisconsin Shares because she is an unregulated child care provider.

Example 6 (Self-employment, regulated child care provider): Kelly is a licensed family child care provider. She has two (2) employees. If Kelly needs Wisconsin Shares for her children while she works, she will need to apply for a waiver for her children to attend a different provider (see 13.2). Kelly's approved activity is self-employment. If her two (2) employees apply for Wisconsin Shares, their approved activity is employment.

6.4.4 Self-Employment Income

(Formerly Section 1.4.5.4 Self-Employment Income)

Self-employment income for Wisconsin Shares eligibility is defined in statute as the sum of net earnings reported to the Internal Revenue Service plus depreciation expenses, personal business and entertainment expenses, personal transportation costs, purchases of capital equipment, and payments on the principal of loans. See Process Help 16.2 for further guidance.

Example: John has been a self-employed construction worker for several years. He generally works many hours during the summer months, and very little during the winter. He applies for Wisconsin Shares in November and provides his previous year's taxes to verify his yearly income and expenses. His net yearly self-employment income plus disallowed self-employment expenses are divided by 12 to determine a monthly income average. Based on his monthly income, he meets financial eligibility criteria for initial eligibility. John reports on January 7 that he has not worked since December 30. This is a normal fluctuation in his business so there would be no change in the income budgeted.

~~John reports on January 7 that he has not worked since December 30. This is a normal fluctuation in his business so there would be no change in the income budgeted. John is expecting to return to work in mid-March, which is less than three (3) months, and John will continue to send his child to the child care program. John's eligibility for Wisconsin Shares will continue as he is in a Temporary Break Period (see 1.3.9.2.1).~~

The Tax Cut and Jobs Act (TCJA) of 2017 included a deduction for Sole Proprietorships, S Corporations, and Partnerships. The Qualified Business Income Deduction (QBID) is applied after the Standard Deduction. It has no impact on Wisconsin Shares financial eligibility. The QBID is not an expense and **should must** not be included as an expense to offset self-employment income. If the QBID is entered as an expense in error, agency workers **should must** utilize the Disallowed Expense Override on the CWW Self-Employment page to add the QBID back into the net earnings.

If two (2) married individuals own a sole proprietorship business and both claim the business as their approved activity, the agency worker must divide both the income and expenses in half. See CWW Process Help 16.2.2.9.

Section 7.6 Conflicting or Questionable Information

(Formerly Section 1.5.8 Contradictory or Questionable Information, and OM 21-11)

If ~~at any point~~ a local agency receives ~~contradictory~~ conflicting or questionable information regarding any eligibility item, the agency worker must request documentation to ~~substantiate support~~ the parent's ~~claims~~ statements ~~and allow the parent seven (7) business days to obtain such documentation.~~ The verification request must be in writing (see 7.1) and must be received within seven (7) business days or by the 30th day from the application or renewal due date if an extension is granted (see 7.4).

If any form of employment or self-employment verification appears questionable ~~or the agency worker is suspicious of falsification of the documentation,~~ the agency worker must request a second form of verification and document this in case comments (see 12.1).

~~Employment with an employer who pays in cash and does not provide any source of employment verification listed in Section 1.5.12 is not considered valid employment for the purposes of Wisconsin Shares.~~

Validity of Self-Employment

~~If there is a question regarding the validity of self-employment, agency workers must request additional verification, such as receipts, contracts, or other documentation of income and expenses.~~

~~When the validity of the self-employment is questionable, seven (7) or more of the following conditions must be met by the individual:~~

- ~~1. The individual holds or has applied for an identification number with the Internal Revenue Service (IRS).~~
- ~~2. The individual has filed business or self-employment tax returns with the IRS based on such services in the previous year or, in the case of a new business, in the year in which such services were first performed or has paid quarterly estimated taxes. The individual receives an IRS Form 1099 at year end.~~
- ~~3. The individual maintains a separate business with his or her own office, tools and equipment, materials, and other facilities.~~
- ~~4. The individual operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means and methods of performing such services.~~
- ~~5. The individual incurs the main expenses related to the services that he or she performs under contract.~~
- ~~6. The individual is responsible for the satisfactory completion of services that he or she contracts to perform and is liable for a failure to satisfactorily complete the services.~~
- ~~7. The individual receives compensation for services performed under a contract on a commission or per-job basis and not on any other basis. OM 21-11 Page 3 of 9~~
- ~~8. The individual may realize a profit or suffer a loss under contracts to perform such services.~~
- ~~9. The individual has recurring business liabilities or obligations.~~

~~10. The success or failure of the individual's business depends on the relationship of business receipts to expenditures.~~

~~11. The business has a Wisconsin's Seller's Permit.~~

~~12. The business is registered with the Wisconsin Department of Financial Institutions.~~

~~13. The individual uses their privately owned vehicle to provide a service.~~

~~If the parent does not meet at least seven (7) of the conditions above, the activity does not meet the requirements to be included as an approved activity for Wisconsin Shares eligibility purposes. If this is the case, agency workers could explore if the approved activity might be regular employment by using the acceptable sources of verification for employment noted in Section 1.5.12.~~

~~Questionable or contradictory verification or reporting must be resolved or referred for FrontEnd Verification according to the local agency's fraud plan.~~

~~Local agency workers may request driving history summaries that are available within the individual's web app for those providing ridesharing or delivery services such as but not limited to Uber, Lyft, or GrubHub.~~

7.9.1 Self-Employment Income Verification

(Formerly 1.5.12.1 Self-Employment Financial Eligibility Verification, and 1.5.12.1)

~~Self-employment financial eligibility~~ Income from self-employment must be verified **during the at** application ~~and eligibility determination process~~ and ~~during the annual eligibility~~ renewal.

Parents who are self-employed must file taxes with the Internal Revenue Service (IRS) **for the self-employment to be an approved activity, even if the business does not have earnings above the IRS' tax filing threshold.** ~~For Wisconsin Shares eligibility,~~ Self-employed parents must provide copies of their filed personal and business IRS tax documents, including all schedules and attachments, for the most recent tax year **at application and the annual eligibility renewal.** Agency workers may request verification that the tax forms have been submitted to the IRS if the documents are questionable.

Proof of filing taxes may include:

- Email confirmation if the parent filed online
- A tax form signed by the tax professional who filed on behalf of the parent
- A canceled check if taxes were owed when filing
- Bank statements clearly showing a deposit from the IRS
- Transcript of tax return from the IRS

If verification appears questionable or needs clarification, agency workers must request additional supporting evidence, such as receipts, contracts, or other documentation of income and expenses, to verify that the parent is engaged in self-employment (see ~~1.5.8~~ **7.6**).

If **self-employment** taxes were filed in the previous year, the previous year’s tax information must be used if the parent is applying or completing a **child-care Wisconsin Shares** renewal **and**:

- It is prior to the next tax filing deadline; or
- The parent has filed for a tax filing extension.
 - **Note:** Verification of filing a tax filing extension is not required unless questionable.

~~To process the application or renewal, the parent may submit Self-Employment Income Report forms (SEIRF) (form DHS F-00107) in addition to the previous year’s tax forms if:~~

- ~~• There has been a significant change since the previous year’s tax filing; or~~
- ~~• Taxes have not yet been filed because the business was not in operation during the previous year; or~~
- ~~• It is prior to the tax filing deadline~~

If a parent states that **the business has had a significant change and** the previous year’s taxes do not reflect their current income, the parent must provide the previous year’s taxes and **Self-Employment Income Report Forms (SEIRFs) (F-00107)** for each month since the significant change, **up to a maximum of 12 SEIRFs.**

If the business has not yet filed taxes, parents must provide SEIRFs for at least 3 months up to a maximum of 12 months depending on the business start month. ~~This will give the local agency enough information to process the Wisconsin Shares child care application or annual eligibility renewal.~~

~~Agency workers should first attempt to obtain the most recently filed taxes from the parent. If the most recent taxes are not available, then the previous year’s taxes are acceptable. If there has been a significant change since the previous year’s taxes were filed, or one (1) of the other conditions listed above for accepting SEIRF are met, then SEIRF are acceptable.~~

Scenario	Verification
Business is new and taxes not yet filed	SEIRFs
Business’ previous year’s taxes are not yet filed	Most recently filed taxes
Business’ previous year’s taxes filed	Previous year’s taxes
Business filed previous year’s taxes and reports a significant change.	Previous year’s taxes and SEIRFs

Example 1 (Ongoing business): Karen applied for Wisconsin Shares in January 2022. She has been operating her own salon for the past five (5) years. At application, her 2021 taxes have not yet been filed. Karen ~~may submit her 2020 taxes for verification~~ must submit her 2020 taxes if ~~there has been no change between her 2019 operations and her 2020 operations.~~ If there has been a significant change, Karen can submit **her 2020 taxes and SEIRFs for any months since the significant change for the past 12 months (in this example, January 2020 through December 2020).** If Karen has never filed taxes, she is not eligible for Wisconsin Shares.

Example 2 (Significant change): Janette is a self-employed hair stylist. The person who owns the salon retired and Janette decided to purchase the business instead of renting a chair. She contacts her worker and **reports this** ~~claims a~~ significant change. The taxes she submitted with her renewal are no longer accurate. The agency worker enters the date of the significant change on the CWW Self-Employment page. CWW will generate the Notice of Proof Needed along with the SEIRFs for all months since the date of the significant change.

Example 3 (New business with limited history): Donna opened a new business **last month**. **in** May and is applying for Wisconsin Shares on **June first**. ~~She has only been operating her business for one month. She has no additional actual history and hasn't paid taxes. She applies for child care. CWW requires three (3) months to average her income. Donna should fill out three (3) months using the first month's actual earnings and what she anticipates for the next two months.~~ The agency worker enters May for "When did this business begin?" on the CWW Self-Employment page and indicates that taxes have not been filed. CWW will generate a Notice of Proof Needed along with SEIRFs for May, June, and July. Donna must complete the SEIRFs using the first month's actual income and expenses and anticipated income and expenses in the next two (2) months.

Example 4 (Taxes Not Yet Filed): ~~Marcella works via the Door Dash App service using her own vehicle to deliver food. She is an independent contractor. She has been doing this work since May first. She applies for Wisconsin Shares Child Care in August. She will not be filing taxes until the following April. The agency worker enters May as the begin month on the CWW Self-Employment page and indicates that taxes have not been filed. CWW will generate a Notice of Proof Needed along with the required SEIRF beginning with the business start date in May through July.~~

~~Marcella reports in January the following year, that she is no longer delivering food. Instead, she is working with Uber providing rides, similar to a taxi service. She will receive an IRS Form 1099 from Door Dash for her income taxes. The new work with Uber would not be a change in the type of self-employment. She is still an independent contractor. The only change is with whom she is contracting her services. Her income and expenses would remain the same based on her taxes from Door Dash unless there is a significant change during her work as an Uber driver.~~

Example 5 (Ongoing Self-Employment): Heidi's business is a farm. She has been operating the farm for three (3) years. At her annual eligibility renewal, the agency worker asks for her taxes to verify her income. The agency worker records on the CWW Self-Employment page that Heidi filed taxes last year. Since Heidi did not already provide a copy of the tax forms including all schedules and attachments, CWW will generate the Notice of Proof Needed indicating that copies of tax forms are needed.

16.2.1 New Self-Employment Authorizations

(Formerly 2.4.3.5 Authorizations for New Self-Employment, and OM 21-11)

During the first 24 months that a parent is engaged in a new self-employment business, the local agency **may must** authorize child care for the hours the parent is engaged in self-employment and needs child care **in order** to engage in **this that** activity. The authorization may be up to full-time (50 hours per week, including **any** travel time **that is needed**) until the **next annual eligibility** annual renewal **due date** following the 24th month of the new self-employment business.

After the renewal following the 24th month of new self-employment, the business is considered ongoing. At that time, the weekly authorized hours must be limited to the parent's monthly gross self-employment earnings divided by the Wisconsin minimum wage and then divided by 4.3 (see 16.2.2). Foster care parents, subsidized guardians, interim caretakers, relatives with court-ordered placement receiving the Kinship Care payment, and individuals caring for children in tribal placement homes under a substantially similar Wisconsin tribal law are not subject to the minimum wage calculation (see 16.2.3).

If the parent's self-employment business began prior to the date he or she applies for Wisconsin Shares, the agency worker must use the actual start date of the self-employment to determine the 24-month new self-employment period. If the business started more than 24 months prior to the application date, it is an ongoing business (see 16.2.2).

Example 1 (Self-Employment Prior to Application): Mary Jo began self-employment on May 6, 2021 but did not apply for Wisconsin Shares until July. Mary Jo's worker enters May 2021 on the Self-Employment page in CWW as ~~this is~~ the start of the self-employment business. Mary Jo's 24th month of self-employment is April 2023, but her annual renewal is not until June 2023. Her authorization may remain in place until her renewal due date in June 2023. Beginning with the authorization assessment completed with ~~the annual~~ her June 2023 renewal, her weekly authorization hours ~~will be based on~~ are limited to her monthly gross self-employment earnings divided by the Wisconsin minimum wage and then divided by 4.3.

A parent is eligible for up to a full-time authorization for a new instance ~~sequence~~ of self-employment only once. If a parent starts a new self-employment business during the 24-month period, or at any time in the future, they do not receive a new 24-month period during which they are eligible for full-time authorization(s) regardless of income. The 24-month clock continues to count down even if the business closes or Wisconsin Shares eligibility ends. ~~All months for a new self-employment business count, and child care may not be authorized under a new self-employment business for a full-time authorization, as described in this section, until 24 months have elapsed.~~

Example 2 (Initial Eligibility with New Self-Employment): Rosa starts her own business selling designer shirts. At the same time, she applies for Wisconsin Shares ~~Child Care~~. Her child, Louisa, is eligible for an authorization based on Rosa's stated child care need ~~work schedule~~ (up to 50 hours per week including travel time) until the ~~second~~ annual ~~eligibility~~-renewal after 24 months from the business' start month. Once the business is considered ongoing, Louisa's weekly authorized hours ~~must be determined by~~ are limited to Rosa's monthly gross self-employment earnings divided by Wisconsin's minimum wage and then divided by 4.3.

Example 3 (Ongoing Eligibility with New Self-Employment): Richard is employed working as a delivery driver for ABC Trucking and is receiving Wisconsin Shares ~~Child Care~~ for his child, Aubrey. In September, he reported that he quit his job and will now be starting his own delivery business. ~~His 2-year-old child,~~ Aubrey is eligible for an authorization based on Richard's stated work schedule (up to 50 hours per week including travel time) until the annual renewal that follows the 24th month of new self-employment.

~~**Example 4 (Ongoing Eligibility with Changing Self-Employment):** Jonathon is a mechanic and has been operating his business from his home for the past three (3) years. He is receiving Wisconsin Shares Child Care for his child, Joseph. Now, Jonathon wants to close the mechanic shop because he is not making a profit and start a new business as a handyman. Working as a mechanic and working as a handyman are two (2) different skill sets, use different tools to~~

~~perform the work, are performed in different work environments, and the two (2) businesses do not have the same clientele. This is new self-employment. Joseph is eligible for an authorization based on Jonathon's stated work schedule (up to 50 hours per week) until the annual renewal that follows the 24th month of new self-employment.~~

~~**Note:** Self-employment as an unregulated child care provider is not allowed as an approved activity for Wisconsin Shares. If the parent is self-employed as a regulated child care provider, see Sections 2.3.2 and 2.3.3. 2.4.3.6~~

16.2.2 Ongoing Self-Employment Authorizations

(Formerly 2.4.3.6 Authorizations for Ongoing Self-Employment, and OM 21-11)

Self-employment is considered ongoing after the annual renewal that follows the 24th month of new self-employment or has been in business for more than 24 months at application. The 24-month clock begins when the self-employment business begins, not when the parent applies for Wisconsin Shares. Foster care parents, subsidized guardians, interim caretakers, relatives with court-ordered placement receiving the Kinship Care Payment, and individuals caring for children in tribal placement homes under a substantially similar Wisconsin Tribal law are not subject to the minimum wage calculation (see 16.2.3).

~~At each annual renewal,~~ an authorization assessment is required ~~at each annual renewal~~. The authorized hours ~~for ongoing self-employment~~ must be based on monthly ~~adjusted~~ gross self-employment income divided by Wisconsin's minimum wage and then divided by 4.3, before finally being rounded up to the next whole number. ~~(\$7.25 per hour). The resulting number is the maximum number of monthly hours, which is then divided by 4.3 and then rounded up to the next whole number to determine the maximum weekly hours for the authorization.~~

Note: The maximum weekly hours for self-employment authorizations displays in CSAW on the Case Activity Summary page based on the information entered on the CWW Self-Employment page. Agency workers do not need to manually calculate the number of hours that can be authorized for self-employment. ~~However, the parent schedule and child care need schedule must still be entered to determine actual child care need.~~

For ongoing businesses, the total authorized hours, ~~including travel time,~~ cannot exceed the calculated number. If the number of hours requested for child care is less than the calculated amount, agency workers must ~~use the requested number of hours including~~ travel time ~~can be added~~ up to the calculated hours. ~~Self-employed parents are eligible for school closed hours for school-aged children in addition to the maximum calculation.~~

~~**Note:** Business expenses are not considered in calculating the maximum hours for child care authorizations.~~

~~Additional factors to consider when determining the authorized hours for self-employment include:~~

- ~~• Self-employed parents are eligible for school closed hours for school age children in addition to the maximum calculation.~~
- ~~• Child care need that is fewer hours than the self-employment minimum wage per hour calculation.~~
- ~~• Additional child care hours for a different approved activity that may include travel time.~~

- ~~Multiple parents in the household that do not have overlapping schedules.~~
- ~~When there are two (2) self-employed parents that have different maximum calculated hours in CSAW, the authorization worker must use the lesser of the two (2) calculations for the maximum authorization amount.~~

Example 1 (Ongoing self-employment): Tiffany's cake business has been in operation for three (3) years and has a monthly gross income of \$600. CSAW will calculate a maximum number of hours that can be authorized based on \$600/month divided by \$7.25 to get 82.75 monthly hours, and then divided by 4.3 which equals 19.24 rounded up to 20 weekly hours. The total is displayed on the CSAW Case Activity Summary page. If Tiffany's child care need exceeds 20 hours per week, the worker must override the derived hours in CSAW to 20 hours per week to ensure that the total authorized hours, including travel time, do not exceed the maximum amount calculated on the CSAW Case Activity Summary page. If Tiffany's child care need is 10 hours per week, up to 10 hours of travel time per week can be added to the authorized hours.

Example 2 (Changing self-employment): Jonathon is a mechanic and has been operating his business from his home for the past three (3) years. He is receiving Wisconsin Shares for his child, Joseph. Now, Jonathon wants to close the mechanic shop and start a new business as a handyman. Jonathon has expended his new 24-month self-employment period. His handyman business is new, but he doesn't get another new 24-month period. Joseph's weekly authorized hours must be based on Jonathon's monthly gross self-employment earnings divided by minimum wage and then divided by 4.3 and rounded up.

When there are two (2) self-employed parents that have different maximum calculated hours in CSAW, the agency worker must use the lesser of the two (2) calculations for the maximum authorization amount.

Example 3 (Two-parent household, different minimum wage calculations): Kabo works on their farm from 6 a.m. to 6 p.m. He has been operating his farm for 10 years. His spouse, Doua, has operated her own self-employment business making purses for five (5) years. They need Wisconsin Shares for their child, Tia, while they work during the day. Kabo's monthly gross self-employment earnings divided by the Wisconsin minimum wage divided by 4.3 results in a maximum of 35 authorized hours per week. Doua's calculation results in a maximum of 20 authorized hours per week. Tia can receive a maximum of 20 authorized hours per week because the authorized hours must be based on the lesser of the two (2) calculations.

Example 4 (Two-parent household, no overlapping schedules): Keisha and Rick are married and have four (4) children. Rick has an auto repair business. Rick works at the auto repair from 8 a.m. to 5 p.m. Monday through Friday and on Saturday mornings. The auto repair business produces a monthly gross income of \$1,000. Keisha has her own small business selling home décor. The monthly gross income from Keisha's business is \$600. Keisha works 15 hours per week, always in the evenings after Rick is home. Keisha and Rick do not have overlapping schedules; therefore, they are not eligible for an authorization.

Example 5 (Two-parent household, shared self-employment business): Mary and Tom are married and share a sole proprietorship business selling honey. They work the same hours. Their monthly gross income of \$1,000 is divided equally on two (2) Self-Employment pages in CWW. ~~Wisconsin is a marital property state. Mary's adjusted gross income of \$500/month divided by \$7.25 makes her eligible for 68.96 (round to 69) hours per month and Tom's adjusted income of \$500/month divided by \$7.25 makes him eligible for 68.96 (round to 69) hours of~~

~~child care per month. Their work hours overlap; therefore, they are eligible for up to 69 hours of child care subsidy per month.~~ The maximum weekly authorized hours calculation uses \$500 for Mary and \$500 for Tom. Because the calculations are the same, the maximum weekly authorized hours will be \$500 divided by the Wisconsin minimum wage and then divided by 4.3 and rounded up. ($\$500/\$7.25/4.3 = 16$ total monthly hours allowed which also includes travel time)

In a two-parent household where one (1) parent is in a new self-employment period and the other parent is engaged in ongoing self-employment, the authorization can be up to full-time (50 hours per week, including any travel time that is needed) until both parents have used their 24-month new self-employment period. Authorizations are based on overlapping schedules and child care need

Example 6 (Two-parent household, new and ongoing self-employment): Casey is self-employed as a hair stylist. Her business has been in operation for five (5) years. In May, she applies for Wisconsin Shares. Because her business started more than 24 months ago, it is considered to be ongoing and her child's authorization must be based on the minimum wage calculation (gross income/minimum wage/4.3 and then rounded up). In August, her child's other parent, Matt, moves into the home. Matt is starting his own business as a landscaper. Their child's authorization can be up to full-time, based on their overlapping schedules, until the annual renewal following the 24th month of Matt's new self-employment.

For additional two-parent policies, see Section 16.3.

SYSTEM CHANGES:

CSAW

CSAW changes are expected in February 2023 to limit the 24-month new self-employment period to once per individual.

CWW

CWW changes are expected in February 2023 to allow agency workers to send the Notice of Action Needed to request both taxes and SEIRFs when both are needed while not impacting other programs that only require SEIRFs.

CONTACTS:

For Wisconsin Shares policy questions outside of Milwaukee County contact your Bureau of Regional Operations (BRO), Child Care Coordinators at BROCCPolicyHelpDesk@wisconsin.gov.

For Program Integrity technical assistance, Child Care CARES/CWW and CSAW Processing Questions statewide, and policy questions in Milwaukee County, contact the Child Care Help Desk at: childcare@wisconsin.gov or 608-422-7200.