



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number: 09-10

Effective Date: October 1, 2008

Issuance Date: September 10, 2008

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS**

FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR

RE: DEPENDENT CARE DEDUCTION

PROGRAM AFFECTED: FOOD SUPPLEMENT PROGRAM (FSP)

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY:

The Food Stamp Program, now the Food Supplement Program, allows families to deduct a portion of their dependent care expenses while they are working, in training for work or temporarily absent from work. The deduction, however, is capped at \$175 per month for each dependent age 2 and over and \$200 per month for each dependent under the age of 2. A provision included in the Food, Conservation and Energy Act of 2008, allows households to deduct the full amount of dependent care costs they incur while working, in training for work or temporarily absent from work.

ACTION REQUIRED:

- Effective October 1, 2008, we will allow a deduction for the full amount the household owes for dependent care.
- CARES will no longer cap the dependent care deduction.
- CARES will update ongoing cases as a mass change.

VERIFICATION/PAYMENT ACCURACY:

Verification

Verification of dependent care is not required, unless questionable. Many local departments have chosen the option, as described in the Food Stamp Manual 408.62, and verify dependent care costs. For payment accuracy we strongly recommended that local departments consider this option.

If a customer reports a dependent care deduction, but does not provide verification when required, certify the household without the deduction. Do not deny or close the case. For more information about this policy see action transmittals 99-39 and 06-29 about the deduction language on the application and reported changes.

Quality Control

A 120-day “hold harmless” period for Quality Control errors applies to this policy change. The hold harmless period is also called the variance exclusion period. The period begins October 1, 2008 and ends on January 28, 2009. The variance exclusion applies to all households certified or recertified during this period. QC will exclude any variance that occurs during the 120-day period until the local department is required to act on the household’s case outside the 120-day period.

Important Note – Restored Benefits/Underpayments

Even though QC will not cite an error during this period, the policy change is effective October 1. If you become aware that a household has additional verified dependent care expenses that were not allowed or were undercounted, you are required to issue restored benefits to the household.

Example: At his last recertification in July, Mr. B reported and verified that he pays \$400/month for the care of his infant son, but the case manager entered in CARES the allowable amount of \$200. He was recertified from August through January with a \$200 dependent care deduction. Because the case manager entered an incorrect amount on CARES, the mass mod did not update the case to reflect the correct amount. At the January recertification the case manager must correct the dependent care deduction and issue restored benefits for the period beginning in October. If QC selects this case during the period from October–January they will not cite an error in dependent care.

INQUIRIES:

Please direct questions to Kay Finegan at 410-767-7939 or Rick McClendon at 410-767-7307.

cc: FIA Management Staff Constituent Services DHR Help Desk