

**WAC 110-15-0050 Additional requirements for self-employed WCCC consumers.** (1) **Self-employment generally.** To be considered self-employed, a WCCC consumer must:

- (a) Earn income directly from the consumer's trade or business, not from wages paid by an employer;
- (b) Be responsible to pay the consumer's self-employment Social Security and federal withholding taxes;
- (c) Have a work schedule, activities or services that are not controlled in an employee-employer relationship;
- (d) Participate directly in the production of goods or services that generate the consumer's income.

(2) **Home-based business.** Child care must not occur in the home of a consumer who operates a home-based business.

(3) **Self-employed consumers receiving TANF.** If a consumer receives TANF and is also self-employed, he or she may be eligible for WCCC benefits as determined by the following:

(a) The consumer must have an approved self-employment plan in the consumer's individual responsibility plan as outlined in chapter 388-310 WAC;

(b) The number of hours of WCCC benefits a consumer receives for self-employment is equal to the number of hours in the consumer's approved plan; and

(c) Income from self-employment while the consumer is receiving TANF is determined by WAC 388-450-0085.

(4) **Self-employed consumers not receiving TANF.** If a consumer does not receive TANF and requests WCCC benefits for the consumer's self-employment, the consumer may be eligible for WCCC benefits for up to sixteen hours in a twenty-four-hour period.

(a) A consumer who does not receive TANF cash assistance and requests WCCC benefits for self-employment must provide DSHS with the consumer's:

(i) Washington state business license or a tribal, county, or city business or occupation license, as applicable;

(ii) Uniform business identification (UBI) number for the state of Washington, or, for self-employment in bordering states, the registration or filing number;

(iii) Completed self-employment plan that is written, signed, dated, and includes, but is not limited to, a description of the self-employment business, proposed days and hours of work activity, including time needed for transportation, and the location of work activity;

(iv) Projected profit and loss statement for a new business that has yet reported taxable income; and

(v) Federal self-employment tax or state tax reporting forms for the most current reporting year for an established business.

(b) At application and reapplication, the number of WCCC hours a self-employed consumer is eligible to receive during the first six consecutive months of a new business is based on the consumer's report of how many hours are needed, up to sixteen hours per day. A consumer is eligible to receive these starting-business WCCC benefits only once during the consumer's lifetime.

(c) At application and reapplication, DSHS determines the number of care hours the consumer is eligible to receive after receiving WCCC self-employment starting-business benefits as provided in (b) of this subsection by:

(i) Dividing the consumer's net monthly self-employment income, after allowable expenses or the standard one hundred dollar deduction,

by the federal or state minimum wage, whichever is lower, to determine the average monthly hours of care needed by the consumer; and

(ii) Adding the consumer's additional approved employment, education, training, or travel hours to the total approved self-employment hours.

(d) If both parents in a two-parent family are self-employed at the same or a different business, each parent must provide a self-employment plan and self-employment income verification. If the requested verification is not provided, WAC 110-15-0012 applies to determining eligibility.

(e) Self-employment income is calculated by subtracting either a standard one hundred dollar deduction or allowable business expenses from the consumer's gross monthly self-employment income.

The following expenses are not allowable:

(i) Federal, state, and local income taxes;

(ii) Money set aside for retirement purposes;

(iii) Personal work-related expenses (including travel to and from work);

(iv) Net losses from previous periods;

(v) Depreciation; or

(vi) Any amount greater than the payment from a boarder for lodging and meals.

[Statutory Authority: RCW 43.216.055, 43.216.065 and 42 U.S.C. 9858, et seq. WSR 19-08-020, § 110-15-0050, filed 3/26/19, effective 4/26/19. WSR 18-14-078, recodified as § 110-15-0050, filed 6/29/18, effective 7/1/18. Statutory Authority: RCW 43.215.060 and 43.215.070. WSR 17-23-017, § 170-290-0050, filed 11/3/17, effective 12/4/17. Statutory Authority: RCW 43.215.070, chapter 43.215 RCW. WSR 16-19-107, § 170-290-0050, filed 9/21/16, effective 10/22/16. Statutory Authority: RCW 43.215.060, 43.215.070, and chapter 43.215 RCW. WSR 16-09-059, § 170-290-0050, filed 4/15/16, effective 5/16/16. Statutory Authority: Chapter 43.215 RCW, RCW 43.215.060, 43.215.070, 2011 1st sp.s. c 42, 2011 1st sp.s. c 50, and 2006 c 265 § 501. WSR 11-18-001, § 170-290-0050, filed 8/24/11, effective 9/24/11. Statutory Authority: RCW 43.215.060, 43.215.070, 2006 c 265, and chapter 43.215 RCW. WSR 09-22-043, § 170-290-0050, filed 10/28/09, effective 12/1/09. WSR 08-08-047, recodified as § 170-290-0050, filed 3/27/08, effective 3/27/08. Statutory Authority: RCW 74.04.050, 74.12.340, 74.13.085, and 2003 1st sp.s. c 25. WSR 04-08-021 and 04-08-134, § 388-290-0050, filed 3/29/04 and 4/7/04, effective 5/28/04. Statutory Authority: RCW 74.04.050, 74.13.085. WSR 02-12-069, § 388-290-0050, filed 5/31/02, effective 7/1/02. Statutory Authority: RCW 74.04.050 and C.F.R. Parts 98 and 99 (Child Care Development Fund Rules). WSR 02-01-135, § 388-290-0050, filed 12/19/01, effective 1/19/02.]