

WAC 110-15-0050 Additional requirements for self-employed WCCC consumers. Eligible self-employed WCCC consumers may be eligible, pursuant to WAC 110-15-0190, for up to 16 hours per day of child care for approved self-employment, education, training, and travel hours.

(1) To be considered self-employed, WCCC consumers must:

(a) Earn income directly from the consumers' own trades or businesses, and not from wages paid by employers;

(b) Be responsible to pay the consumers' own self-employment Social Security, applicable state business and occupation taxes, and federal withholding taxes; and

(c) Participate directly in the production of goods or delivery of services that generate the consumers' incomes.

(2) Income received from corporations:

(a) Consumers who only receive income from their ownership or part ownership in a corporation are not considered self-employed. DCYF counts income or payment received from their corporation as unearned income.

(b) DCYF authorizes child care hours based on wages or self-employment income reported on tax documents.

(3) Authorized child care for children of consumers operating home-based businesses must not occur in the consumers' homes.

(4) Consumers receiving TANF who are also self-employed may be eligible for WCCC benefits if:

(a) They have approved self-employment plans in the consumers' individual responsibility plans as outlined in chapter 388-310 WAC;

(b) The number of activity hours of child care benefits consumers receive for self-employment is equal to the number of hours in the consumers' approved plans; and

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

(5) Self-employed consumers not receiving TANF.

(a) Consumers who do not receive TANF cash assistance and request WCCC benefits for self-employment must provide DCYF with:

(i) Statements of the days, hours, and locations of the consumers' work activity;

(ii) For new businesses that are not required to report taxable income, the projected profit and loss statements or statements of anticipated income after expenses;

(iii) For established businesses, state or federal self-employment tax returns or state tax transcripts and forms, including all schedules, for the most current reporting year; and

(iv) Projected profit and loss statements with supporting verifications if self-employment income is expected to be lower than recorded on provided federal or state tax documents.

(b) Consumers with new businesses that do not have federal or state tax documents may be required to provide verification of Washington state tribal, county, or city business or occupation licenses.

(6) Determining approved activity hours for new businesses.

(a) DCYF considers "new businesses" to be businesses that have not had a required federal tax filing.

(b) At application and reapplication, DCYF determines the number of activity hours consumers are eligible to receive based on schedules the consumers provide.

(c) Consumers may be eligible to receive these new-business WCCC benefits only once during consumers' lifetimes.

(7) Determining approved activity hours for existing businesses.

(a) DCYF considers "existing businesses" to be businesses that have been established long enough to file a quarterly state tax return or annual federal tax return, whichever occurs first.

(b) At application and reapplication, DCYF determines the number of activity hours consumers are eligible to receive by:

(i) Dividing consumers' net monthly self-employment incomes by the federal or state minimum wage, whichever is lower, to determine the average monthly hours approved for self-employment activity; and

(ii) Adding any additional approved employment, education, training, or travel hours to the total approved self-employment activity hours.

(8) Self-employment income calculation:

(a) For existing businesses, DCYF:

(i) Counts the net income reported on the federal tax return; or

(ii) Uses the state tax return and may:

(A) Subtract the documented business expenses from the reported gross income; or

(B) Subtracts a \$100 deduction per month from consumers' gross monthly self-employment income.

(b) For existing businesses that have income reductions not reflected on their provided federal or state tax filings, DCYF subtracts the documented business expenses from the reported gross income on the projected profit and loss statements to estimate the monthly income after expenses.

(c) For new businesses, DCYF uses the consumers' projected hours dedicated to their self-employment activity multiplied by federal minimum wage or projected profit and loss statements to estimate their monthly incomes.

(d) DCYF may ask for additional information to verify income or expenses.

(9) Both parents or guardians in two-parent or guardian families must separately meet the eligibility requirements for child care.

[Statutory Authority: RCW 43.216.055 and 43.216.065. WSR 22-05-007, § 110-15-0050, filed 2/3/22, effective 3/6/22. 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.]