

**INCOME
LIF BUDGETING METHODOLOGY**

CHILD /INCAPACITATED ADULT CARE COST

Policy: The actual cost of care up to \$175 a month for each dependent child age two or over, or incapacitated adult may be deducted from the earned income of the A/R. The actual cost of care, up to \$200 a month, may be deducted for each dependent child under age two.

NOTE: Although the adult care deduction was eliminated in statute, Medicaid retains the deduction for the LIF category because it was part of the ADC program on July 16, 1996. LIF budgeting may not be more restrictive than the ADC cash program in effect on July 16, 1996.

References:

SSL Sect.	366
Dept. Reg.	360-4.6(a)(3)(iv)
ADMs	91 ADM-8 90 ADM-3 81 ADM-55

When to Verify: When the A/R indicates that s/he is employed full or part-time and that there are dependent children or an incapacitated adult in the household for whom care is being provided and paid for by the A/R while s/he works.

Verification: Seeing a statement from the caretaker or day care center including the hours of care and the amount charged for such care.

Documentation: Sufficient to establish an audit trail:

Name of caretaker or day care center, amount paid, hours of care and receipts for payment.