

The following Policy Update has been implemented by the State of New Jersey

Subject and DFDI

Determining Self-Employment Income and Hours
DFDI: 16-12-01

Effective Date

January 1st, 2017

Affected Childcare Programs

All DFD Childcare Programs

Summary

Families who are Self-Employed are now required to submit:

- IRS Schedule C (Form 1040) or IRS Schedule C-EZ (Form 1040)
- Official IRS transcript.

The CCR&R will use this to determine their annual income and hours working weekly

Questions and Answers

- A family just started a new business and has not filed taxes yet. Do they qualify?
 - No. Families are required to submit the above information for our office to determine eligibility.
- Are any deductions applied to the family's gross amount?
 - Yes. The policy permits that a deduction of 51% will be applied to the family's gross income.
- How are the family's working hours calculated?
 - After the 51% deduction to the family's gross income is applied, that amount is divided by 52 to get an average weekly amount. Then, that amount is divided by the federal minimum wage to get an average on how many hours a week the client is working.