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Date: June 7, 2019

DMS, DECE, and DFES Operations Memo 19-J7

To: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
Workforce Development Boards
W-2 Agencies
Training Staff
Child Care Eligibility and
Authorization Supervisors and Workers

From: Deborah Waite, Deputy Bureau Director
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Affected Programs:
☒ BadgerCare Plus
☐ Caretaker Supplement
☐ Children First
☐ Emergency Assistance
☒ FoodShare
☐ FoodShare Employment and Training
☐ Job Access Loan
☐ Job Center Programs
☒ Medicaid
☐ Other Employment Programs
☐ Refugee Assistance Program
☐ SeniorCare
☒ Wisconsin Shares Child Care
☒ Wisconsin Works
☐ Workforce Innovation and Opportunity Act

System Enhancements to Support Self-Employment Policy and Process

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CONTENTS

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CROSS REFERENCE

- Operations Memo 19-J4
- FoodShare Wisconsin Handbook, Section 4.3.3 Farming and Other Self Employment Income
- BadgerCare Plus Eligibility Handbook, Section 16.4.3 Self-Employment Income and Section 16.3.3 Tax Deductions
- Medicaid Eligibility Handbook, Section 15.6 Self-Employment Income
- Wisconsin Shares Child Care Policy and Process Handbook, Section 1.3.8.3.2 Self-Employment
- Wisconsin Works (W-2) Manual, Section 3.2.8.2 Farm & Self-Employment Income
- Process Help, Section 16.2 Self-Employment Income and Section 18.5 BC+ Tax Deductions

EFFECTIVE DATE

June 22, 2019

PURPOSE

This operations memo announces CARES Worker Web (CWW), ACCESS, and correspondence enhancements made to further support policy and streamline processes related to self-employment income.

BACKGROUND

Self-employment income is earned directly from one's own business and is typically reported via federal income tax returns as farm, self-employment, rental, or royalty income. These tax returns are used to verify self-employment income and expenses for assistance programs. If this income is not (or has not been) reported to the Internal Revenue Service (IRS), workers may ask individuals to complete a Self-Employment Income Report form (SEIRF) as verification of their self-employment.

After implementation of the enhancements detailed in this memo on June 22, 2019, many worker processes for collecting, identifying, and calculating allowable self-employment income will be automated. Based on information entered onto the CWW Self-Employment page, CARES will determine whether taxes or SEIRFs (including how many SEIRFs) will be requested of the individual. In addition, notices will be enhanced to request the appropriate (and applicable) tax forms or SEIRFs.

POLICY

Enhancements announced in this memo were developed to further support current program policy regarding self-employment for FoodShare, BadgerCare Plus, Medicaid for the Elderly, Blind, and Disabled (EBD Medicaid), Caretaker Supplement, Wisconsin Shares Child Care Subsidy Program (Wisconsin Shares), and Wisconsin Works (W-2).

Minor policy changes and clarifications regarding self-employment income are described below.

Note: There is no change in policy for W-2. See Wisconsin Works (W-2) Manual, Section 3.2.8.2 for how to count self-employment income.

FISHING AND HUNTING BUSINESS TYPES FOR FOODSHARE

Fishing and hunting self-employment business types will be budgeted like farming as described in FoodShare Wisconsin Handbook, Section 4.3.3.8 Self-employment Expenses.

CARES offsets farming income losses with other countable income when a self-employed individual receives (or anticipates receiving) annual gross income of $1,000 or more from the farming operation. After implementation, CARES will automatically determine the offset for losses from fishing and hunting business types as it does for farming.

BACKDATED ELIGIBILITY FOR HEALTH CARE

Applicants or members can request health care benefits for past months (up to three months prior to the month of application) and may be certified for any backdated months in which they would have been eligible had they applied in that month. When an applicant or member requests backdated benefits and reports earned or unearned income, actual income information (not prospective budgeting) is used to determine eligibility. For example, paystubs or employer verification forms show actual employment income earned for each backdated month.

However, self-employment income is counted differently from other earned or unearned income. Self-employment income is averaged over the number of months the business has been in operation in a tax year or anticipated based on an average of SEIRFs. It is not based on exact income for a single month, as that does not take into consideration seasonal work and fluctuating income for the business. If an individual had initially applied in a backdated month, eligibility would not be determined on the basis of that single month of self-employment income; instead, eligibility would be based on an average of at least three months of income.

When a self-employed applicant or member requests backdated benefits for health care, workers must do the following:
1. Average self-employment income for the application month forward (to determine ongoing eligibility).
2. Determine eligibility for the backdated months as if the applicant or member had applied in the earliest backdated month requested:
   - If income is reported via federal taxes, the tax filing year has not changed, and no significant change in circumstances has occurred, the same averaged income and expenses from the tax forms can be used for ongoing and backdated eligibility.
   - In all other scenarios, workers must consider SEIRFs and the average to be counted if that earliest month was the application month. If estimates would have been used, but the month has passed, actual information should be provided on the SEIRFs.
3. Consider any significant changes that occurred during the backdated months that would require a new average to be calculated for the second and/or third month. If there has not been a significant change or a change in the tax filing year during the backdated months, the average calculated for the earliest month can be used throughout the backdated months.

See Backdated Eligibility in the CARES Worker Web section of this memo for examples describing both policy and process.

QUALIFIED BUSINESS INCOME DEDUCTION FOR ALL PROGRAMS

Effective the 2018 tax year under Section 199A of the Internal Revenue Code, business owners may claim the Qualified Business Income (QBI) tax deduction on their individual federal income tax return as a separate deduction entered on Line 9 of the 1040 Tax Form. However, the QBI tax deduction is not allowed as a deduction that can offset self-employment income.

CARES

CARES will be enhanced to better support FoodShare, health care, Caretaker Supplement, Wisconsin Shares, and W-2 policies related to self-employment. This includes updates to CWW pages, correspondences, and ACCESS.

CARES WORKER WEB

At implementation, the following pages in CWW will be enhanced:
- Self-Employment
- Employment Summary
- Employment Summary Details
- BC+ Tax Deductions Gatepost and BC+ Tax Deductions
- Verification Checklist
- Verification Due Dates

SELF-EMPLOYMENT PAGE

The Self-Employment page will be enhanced to accurately collect, calculate, and display self-employment information:
- Dynamic sections (or dynasections) will assist in determining the type of verification that should be requested.
- The page will systematically account for disallowed expenses per benefit program.
- Monthly countable income summaries will display at the bottom of each self-employment sequence.

Figure 1 Self-Employment Page

The Self-Employment page will have three sections:
- Self-Employment Information
- (Dynamic) Tax Form(s) or Self-Employment Income Report Forms (one of these two dynasections will display based on the information entered into the Self-Employment Information section)
- Details and Summary

Self-Employment Information Section

Workers will enter information about the self-employment business in the "Self-Employment Information" section. Some field labels have changed and new fields have been added to assist workers in determining whether taxes or SEIRFs will be requested and/or needed of the individual.

Figure 2 Self-Employment Information Section

The "Self-Employment Information" section consists of three sections:
- Effective Period
- Additional Information
- Tax/SEIRF Verification Details

Effective Period

The specific month and year workers enter in this field can impact whether tax form(s) or SEIRFs will be requested and, if applicable, the number of requested SEIRFs.

Figure 3 Effective Period Section

Additional Information

Workers will enter information about the self-employed individual and their business in the "Additional Information" section. The values entered in this section determine whether tax forms or SEIRFs will be required, the specific tax form(s) or number of SEIRFs required, and the number of months of self-employment to be considered for such verifications.

Figure 4 Additional Information Section

Business Ownership Type

Workers must select a business ownership type. This will help determine what type of tax form(s) will be required (if applicable). Options include:

- PP – Partnership
- SC – S Corporation
- SP – Sole Proprietorship
- UN – Unknown

Workers should select UN – Unknown if the individual is unsure of the business ownership type or if the individual did not provide this information. This will cause the Verification Checklist notice to request all tax forms and schedules rather than specific forms. When UN is selected, workers must update the business ownership type based on verification received.

Note: C Corporation is no longer a business ownership type option. For more information, refer to Operations Memo 19-J4, "Corporation Income No Longer Budgeted as Self-Employment Income".

Business Type

Workers must select a business type for the business owned by the individual. Certain business types will have an impact on the verification requested and how the income is calculated. For example, selecting the FA-Farming business type will determine that a Farm SEIRF will be required (if applicable). In addition, selecting the Rental business type will impact whether the CARES needs to capture active management information to budget the income as earned or unearned for FoodShare and EBD Medicaid. See attachment 1 of this memo for a list of new, renamed, and obsolete business types.

When did this business begin?

Workers must enter the month and year the business began in the "When did this business begin?" field (formerly titled Business Start Month). The value entered in these fields will help determine whether taxes or SEIRFs will be requested. It also determines the number of months for which information will be considered.

Has this business filed taxes?

Based on the individual's response, workers must select Yes or No for the new "Has this business filed taxes?" field. This field determines whether taxes or SEIRFs will be considered. If workers select Yes, the "Most Recent Tax Year Filed for Business" field becomes required.

Most Recent Tax Year Filed for Business

If the individual's business has filed federal taxes, workers must enter the most recent tax year that their business filed taxes in the "Most Recent Tax Year Filed for Business" field (formerly titled Most Recent Business Taxes Filed Year). This field determines whether taxes or SEIRFs will be considered.

For FoodShare, health care, and Caretaker Supplement, taxes can only be used to verify income and expenses if the business has filed taxes within the last two years. Wisconsin Shares requires that taxes are filed with the IRS annually. If the year entered is more than two years old, the following informational message will display:
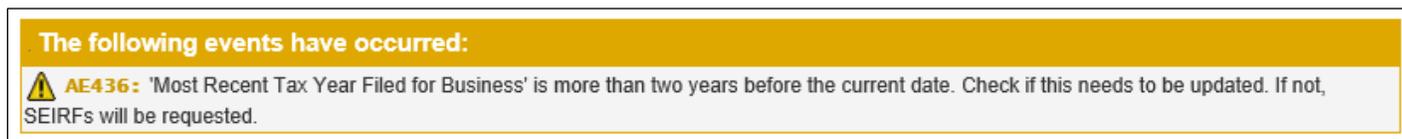
> **The following events have occurred:**
>
> ⚠ **AE436:** 'Most Recent Tax Year Filed for Business' is more than two years before the current date. Check if this needs to be updated. If not, SEIRFs will be requested.

Figure 5 Most Recent Tax Year Filed for Business Information Banner

Has a significant change in business occurred?

The response to this question helps CARES determine whether tax forms or SEIRFs will be requested.

If the individual selects Yes or I don't know as a response to the question regarding a significant change in ACCESS, this field will be populated with a ? in CWW. The individual must provide information to the worker to clarify that the change is actually a significant change per program policy, and not just a normal fluctuation in the business, seasonal employment, or a circumstance that does not affect income over time.

If not already working with the individual by phone or in person, workers must attempt to contact the individual by phone.

- If it is determined that the change does not qualify as a significant change, workers must update the answer to No.
- If unable to reach the individual, workers must select ?-Doesn't Know or Questionable. This response will cause the Verification Checklist to ask the individual to contact the agency regarding the reported significant change for the self-employment business. This question must have a definitive Yes or No response before CWW can determine which type of income verification will be requested. Workers should **not** attempt to collect any information for the Tax Form(s) or Self-Employment Income Report Forms dynasection until they have clarified the significant change question with the individual.
- If the individual does not contact the agency timely, workers must update the Yes to either F-Failed to Provide Information or WN-Not Verified W-2 Or Childcare. (If the individual has not contacted the agency within the W-2 or Wisconsin Shares timeframe, but it is still before the due date for IM programs, selecting Not Verified W-2 Or Childcare will fail Wisconsin Shares and W-2, but will continue to pend IM programs. Failed to Provide Information will fail all programs (except Wisconsin Shares when the case is in "Ongoing" mode [not at application or renewal for Wisconsin

Shares]; see Wisconsin Shares Child Care Policy and Process Handbook, Section 1.5.12.1 Ongoing Financial Verification).

- If it is determined that the change does qualify, workers must update the answer to Yes. Workers will be prompted to enter a case comment.

Note: If the significant change question is updated to ?-Doesn't Know or Questionable, F-Failed to Provide Information, or WN-Not Verified W-2 or Wisconsin Shares for an ongoing self-employment sequence, workers will only be able to update the Effective Month and the Case Comments.

Significant Change Month

Workers must enter the month and year of the significant change if Yes was entered in the "Has a significant change in business occurred?" field. The significant change month must be an agreed upon date between the worker and individual reporting the significant change.

Actively Engaged in Managing this Business

The Actively Engaged in Managing this Business field (formerly titled Self-Managed) will be enabled or disabled depending on the business type:

- If the business type option is anything but RP-Rental Property, the field will be disabled and set to Yes.
- If the business type option is RP-Rental Property, the field will be enabled with a blank value. Workers can select Yes or No based on the individual's response.

For FoodShare and EBD Medicaid, rental income will be budgeted as earned or unearned income depending on whether the individual is actively engaged in managing the business. If the individual is not actively engaged in managing the business, the income will be budgeted as unearned income regardless of the number of hours they work for the business each month. If the individual is actively engaged in managing the business (Yes response), the rental income will be budgeted as unearned income if the Monthly Hours are less than 80 hours and earned income if the Monthly Hours are 80 hours or more.

Monthly Hours

Workers must enter a number for the "Monthly Hours" field based on the average number of hours the individual reports working per month for the business. (Workers must multiply reported weekly hours by 4.3 when converting to monthly hours.) Verification of this number will only be required when it is questionable. The value for this field is used to determine whether certain individuals are meeting applicable work requirements. However, note that Wisconsin Shares and W-2 do not base employment activity on this field:

- Wisconsin Shares uses the Child Care Statewide Administration on the Web (CSAW) system to determine the maximum number of weekly hours for which the individual may be authorized for child care. This calculation is based on the individual's income divided by the state minimum wage and therefore may not align with the "Monthly Hours" field in CWW. Workers also need to consider the policy in Wisconsin Shares Child Care Policy and Process Handbook, Section 2.4.3.7 Authorizations for Ongoing Self-Employment for these authorizations.
- W-2 uses the Wisconsin Works Programs (WWP) application to assess employment activity.

Tax/SEIRF Verification Details

The new "Tax/SEIRF Verification Details" section will allow workers to pend a case for Tax or SEIRF verification. After entering all information in the "Additional Information" section, workers must click the Display Tax/SEIRF Results button within the "Tax/SEIRF Verification Details" section. Once workers click the button, CWW will determine whether Tax or SEIRF verification will be required, the specific form(s) required, and the number of months of self-employment for which information is needed.

Figure 6 Tax/SEIRF Verifications Details Section

Tax/SEIRF Form – Tax Form

If CARES determines that tax forms are required for verification, the Tax/SEIRF Form field will be auto-populated with the IRS tax form(s) specific to the business ownership type.

Figure 7 Tax/SEIRF Verifications Details Section With S Corporation Tax Form Option Selected

All Sole-Proprietor Schedules

When the SP-Sole Proprietors option is selected in the Business Ownership Type field, and taxes are required, the Tax/SEIRF Form field will be auto-populated with the All Sole-Prop Schedules option. This option will only apply when pending for verification. Because it may not be known which form(s) the sole proprietor filed, individuals will be asked to provide all of their tax forms and schedules (the Verification Checklist will list the Schedule C, C-EZ, E, F and Form 4797 as examples). Once verification is received, workers must update the field to the specific tax form the business filed. If workers forget to update the Tax/SEIRF Form field to the appropriate sole-proprietorship form and select a valid verification code, they will receive a warning message and will not be able to leave the page. In addition, the Tax Form(s) dynasection will not display if the Tax/SEIRF Form field is All Sole-Prop Schedules.

If the individual's business has filed more than one of the sole proprietorship schedules or forms (for example, they filed both a Schedule C and Form 4797), workers must build separate sequences for each schedule or form provided if the business is still in operation. In order to support policy that individuals should submit their most recently filed tax forms, workers will be prompted when entering a tax year more than two years prior.

Specific Tax Form
Workers must select one of the following specific tax forms once the individual submits the form for the business:
- Schedule C
- Schedule C-EZ
- Schedule E
- Schedule F
- Form 4797

Workers cannot select one of these forms and pend for verification.

Note: Even though the Schedule D (Capital Gains and Losses) is associated with sole proprietorships, it will not be an option on the Self-Employment page. Instead, workers must continue to enter information from a Schedule D on the Unearned Income page as Income Type "PC-Personal Capital Gains."

Form 1120s and Schedule K-1 (1120s)
The 1120s and Schedule K-1 (1120s) option is auto-populated when the SC-S Corporation business ownership type is selected and taxes are required. When pending for verification, the Verification Checklist will specifically ask the individual to submit Form 1120s and Schedule K-1 (1120s).

Form 1065 and Schedule K-1 (1065)
The 1065 and Schedule K-1 (1065) option is auto-populated when the PP-Partnership business ownership type is selected and taxes are required. When pending for verification, the Verification Checklist will specifically ask the individual to submit Form 1065 and Schedule K-1 (1065).

Unknown
The Unknown option is auto-populated when the UN-Unknown business ownership type is selected. Depending on values entered in the "Additional Information" section, either taxes or SEIRFs may be requested. Workers can only select ?, Q?, NV, QV, or WN as a pending/failure code for taxes.

Workers must update the "Business Ownership Type" and "Tax/SEIRF Form" fields with the appropriate type and form once verification(s) are received.

Tax/SEIRF Form – SEIRF Form
The SEIRF option is auto-populated if any business type other than Farming is selected and SEIRFs are required. The Farm SEIRF option is auto-populated if Farming is selected as the business type and SEIRFs are required.

Figure 8 Tax/SEIRF Verifications Details Section With the SEIRF Form Information

Unknown
The Unknown option is auto-populated when the UN-Unknown business ownership type is selected. Depending on values entered in the "Additional Information" section, either taxes or SEIRFs may be requested. Workers can select any verification code (including non-pending and non-failure codes) for SEIRFs.

Tax/SEIRF Form Verification
The Tax Form(s) dynasection or Self-Employment Income Report Forms dynasection will only display once workers update the Tax/SEIRF Form Verification field to one of the following verification codes:
- For Tax Forms(s), workers can select TX, PN, or FN.
- For Self-Employment Income Report Forms, workers can select AF, PN, FN, or OW.

Note: Updating a passing code to a failure code or a pending code will remove the dynasection and clear values entered in the dynasection (though the values in the "Details and Summary" section will remain intact).

Figure 9 Tax/SEIRF Verifications Details Section With the TX Verification Code Selected

Figure 10 Tax/SEIRF Verifications Details Section With the AF Verification Code Selected

Number of Months for Average
This field is enabled only when taxes are required. When building a new page, this field defaults to blank. If the individual's tax form(s) show that the business was in operation for all 12 months of the year, workers must enter 12. If the business was not in operation for 12 months, workers must update the Number of Months for Average to the correct number of months for which the total income and expenses need to be averaged. For example, if the business started in July of the tax year, the worker must enter 6 in the Number of Months for Average field.

Number of SEIRF Months
This field is auto-populated when SEIRFs are required with a value equal to or less than 12. The value is based on the current (system) date and the values entered in the "Additional Information" section. CARES will determine how many SEIRFs are required based on what workers enter for the "When did this business begin?" field and if there was a significant change, the value in the Significant Change Month field.

When it has been less than three full months since the business began or since the significant change, CARES will request SEIRFs for a combination of current and future months, per program policy. If the Number of SEIRF Months calculated exceeds 12, CARES will consider only the most recent 12 months.

SEIRF Begin Month and SEIRF End Month
The Begin Month field will display the start month and year from which SEIRF information will be requested (from either the "When did this business begin?" or Significant Change Month field).

The End Month field will generally display the end month and year up to which SEIRF information will be requested. However, if the begin month is less than three months prior to the system month, then the end month will be set as either one or two months in the future.

Note: If the SEIRF end month calculated on the Verification Due Dates page is different than the SEIRF end month noted on the Self-Employment page, CWW will request an additional SEIRF month on the Verification Checklist and the end month will be updated to reflect what was requested of the individual.

Display Tax/SEIRF Results
Workers must click the Display Tax/SEIRF Results button any time workers update one of the following fields in the "Additional Information" section on an case (after updating the Effective Month field):
• Business Ownership Type
• Business Type
• When did this business begin?
• Has this business filed taxes?
• Most Recent Tax Year Filed for Business
• Has a significant change in business occurred? (except if the field is changed to ?, F, or WN)
• Significant Change Month

Clicking the Display Tax/SEIRF Results button will remove the prior verification code and display the Tax/SEIRF Form Verification field as blank (which would also blank out and remove the Tax Form(s) or SEIRF dynasection) unless the redetermination would <u>not</u> result in a different dynasection.

> **Example 1**: On July 1, 2019, a worker enters self-employment information in the "Additional Information" section, then clicks Display Tax/SEIRF Results. The Tax Form(s) dynasection displays. The next day, the worker changes the Most Recent Tax Year Filed for Business from 2017 to 2016, and clicks Display Tax/SEIRF Results. This redetermination changes the required form to SEIRFs which blanks out and removes the Tax Form(s) dynasection.
>
> However, if the worker had instead only changed the value for the month in the "When did this business begin?" field from March to February, the redetermination would not change the required form, and the Tax Form(s) dynasection would remain when the worker clicks Display Tax/SEIRF Results.

Note: Workers should always create a new self-employment sequence rather than repurposing the existing one.

Tax Form(s) Dynasection or Self-Employment Income Report Forms Dynasection

Depending on information entered within the "Self-Employment Information" section, either the Tax Form(s) dynasection or Self-Employment Income Report Forms dynasection will display.

Note: Workers cannot update income or expense information in either type of dynasection until all requested verification has been received.

Tax Form(s) Dynasection

The Tax Form(s) dynasection will display depending on the information derived from the "Additional Information" section. All of the following conditions must be true for the Tax Form(s) dynasection to display:

- The month and year entered for "When did this business begin?" is six or more months prior to the current month and year, and at least one month is a full month of the reported tax year.
- The response to "Has this business filed taxes?" is Yes.
- The year entered for Most Recent Tax Year Filed for Business is within the past two years (e.g., tax years 2018 and 2017 only are valid for calendar year 2019).
- One of the following must also be true:
  - The response to "Has a significant change in business occurred?" is No, and the Significant Change Month is blank; or
  - The response to "Has a significant change in business occurred?" is Yes, and the month and year entered in the Significant Change Month field is prior to the year entered in the Most Recent Tax Year Filed For Business field.

Completing the Tax Form(s) Dynasection

The Tax Form(s) dynasection collects all income and expense information for the business when tax forms are used as verification. Every field in the dynasection except Gross Income (if Loss) requires a response. Workers will enter information reported in federal tax forms and schedules into the Tax Form(s) dynasection. Process Help, Section 16.2 Self-Employment Income will be updated with tables which will match lines in the federal tax form to a field in the dynasection.

Figure 11 Tax Form(s) Dynasection

The following field names in the Tax Form(s) dynasection have been abbreviated from its full title in the IRS form. The abbreviated field names are displayed in the screenshot above.

- Employer Work-Related Personal Expenses (includes pensions, employee benefit and retirement programs, and/or profit sharing)
- Principal Payments on Loans for the Purchase Price of Income Producing Real Estate, Capital Assets/ Equipment, and Durable Goods

All potentially disallowed expenses for the different program areas are listed. Not all of these expenses apply to each business ownership type or IRS form, so workers may not find all of these. For example, guaranteed payments to partners is only applicable to partnerships. Workers should only be entering non-zero amounts for each of the expenses if the expense is specifically reported on the IRS form(s) or schedule.

Workers must enter a value in either the Gross Income field or Gross Income (if Loss) field, but not both. If the tax forms indicate that the income is a positive value, the value should be entered in the Gross Income field. If it is a negative value (or a loss), the value should be entered in the Gross Income (if Loss) field. If any amount greater than zero is entered in one field, only a $0 value can be entered in the other.

Worker Processing Specific to Wisconsin Shares

Wisconsin Shares Child Care policy requires self-employed parents to submit copies of their personal and business taxes that have been filed with the IRS, including all schedules and attachments for the most recent tax year, at application and annual renewal. Workers must include a "note from your worker" on the Verification Checklist that requests all income tax forms and all schedules for Wisconsin Shares.

Entering Reported Depletion and Depreciation as Expenses in Schedule E

Depletion and depreciation are reported on the same line of the Schedule E. They are disallowed expenses for FoodShare and Caretaker Supplement. If a value is entered in, enter the full amount within the Depreciation field and enter zero in the Depletion field.

However, if Wisconsin Shares is requested on the case, additional steps must be taken. Per policy, Wisconsin Shares allows depletion as an expense, but does not allow depreciation. If a value is entered in the Depreciation and Depletion line of Schedule E, workers must contact the individual or send a

verification checklist specifically asking the individual to identify what portion of the value is depletion and what portion of the expense is depreciation. This would require a worker note on the verification checklist. If verification is received by the due date, workers should update the depletion and depreciation amounts on the Self-Employment page. If verification is not received, the full value of the Schedule E's Depreciation and Depletion field should be entered into the Self-Employment page's Depreciation field.

Using Worker Worksheets

Due to the complexity and use of multiple IRS tax forms, workers are required to use worker worksheets when calculating self-employment income for S-Corporations (Self-Employment Income Worksheet: S Corporation (Schedule K-1 [Form 1120S] and Form 1120S), F-16035) and partnerships (Self-Employment Income Worksheet: Partnership (Schedule K-1 [Form 1065] and Form 1065), F-16036). Worker worksheets will be updated to calculate the correct income and expenses for workers to enter into the Self-Employment page.

All other self-employment worker worksheets will become obsolete, as workers will enter the information from the tax forms directly onto the Self-Employment page.

Self-Employment Income Report Forms Dynasection

The Self-Employment page will display the Self-Employment Income Report Forms dynasection when one of the following sets of conditions is met:

#	When did this business begin?	Has this business filed taxes?	Most Recent Tax Year Filed for Business	Has a significant change in business occurred?	Significant Change Month
1	Date entered	No	Blank (no entry)	No (worker-entered)	Blank(no entry)
2	Date entered	No	Blank (no entry)	Yes	Date entered
3	Date less than six months before the application or renewal/review month	Yes	Date within the past two years from the current year	No	Blank (no entry)
4	Date entered	Yes	Date more than two years prior to the current year	No	Blank (no entry)
5	Date entered	Yes	Date within the past two years from the current year	Yes	Same date or later as the date in the Most Recent Tax Year Filed For Business field
6	Date entered	Yes	Date more than two years prior to the current year	Yes	Date entered

The type of SEIRF displayed (regular or farm) depends on whether the Business Type is a farm or any other type of business.

In addition, the Self-Employment Income Report Forms dynasection will only display if a passing verification code for IM programs is selected.

The number of SEIRFs requested is dependent upon values entered in the "When did this business begin?" field, the Significant Change Month field, and the current (system) date. The end month is based on the last full month (the month prior to the current date), unless estimating income and expenses for a future month. Only the months calculated with the range of SEIRF Months will be displayed within the Self-Employment Income Report Forms dynasection.

Figure 12 Self-Employment Income Report Forms Dynasection Displaying a Three Month Range

Workers can enter self-employment information for a specific SEIRF month or multiple selected SEIRF months. However, workers must enter the information based on how the individual completed the SEIRF forms. For example, if the individual combined their expenses for two months, then workers would select those two months and enter the income and expenses for those combined months, but if the individual listed their income and expenses for each individual month, workers must enter the income and expenses for each individual month. When SEIRF months are listed, workers may only check the checkboxes of SEIRF months in chronological order. As a worker moves through the number of SEIRFs requested, the list of SEIRFs will dynamically update and display the remaining months still needing to be addressed.

See attachment 2 for a chart that illustrates how the number of SEIRF months is determined.

Self-Employment Income Report Forms Dynasection

The regular Self-Employment Income Report Forms dynasection will display fields for workers to enter information on gross income and gross expenses.

Figure 13 Self-Employment Income Report Forms Dynasection

Certain expenses will be automatically counted as disallowed expenses based on each program's policy.

Note: The CC Only Invalid Expense field will no longer display on the Self-Employment page. If an expense reported on the SEIRF needs to be counted as income, enter the description and the invalid expense amount in the "Other Expenses" section and check the box for Wisconsin Shares (CC).

Workers can enter up to three instances or descriptions of an Other Expense if the individual has listed any other expenses on their SEIRF. For these instances, workers must type a description of the expense and the amount (as reported on the individual's SEIRF) and identify if the expense is a disallowed expense per each program policy, regardless of which program(s) the individual has requested on the case:

- If the corresponding program checkbox is checked, the expense will be counted as a disallowed expense for that program (that means it will be added back to the individual's income).
- If program checkboxes are not checked, the expense will be allowed by the program.

Because all expenses are disallowed for W-2, the checkboxes for W-2 will be checked by default.

Process Help, Section 16.2 Self-Employment Income has a chart of the disallowed expenses per program policy.

Farm Self-Employment Income Report Forms Dynasection

The Farm Self-Employment Income Report Forms dynasection will display a different set of expenses compared with the regular SEIRF. However, the expenses that will be automatically counted as disallowed expenses (based on each program's policy), as well as the Other Expenses field where workers can manually enter expenses, will be the same.

Figure 14 Farm Self-Employment Income Report Forms Dynasection

Additional Considerations for the SEIRF Form(s) Dynasection

Workers must enter information in CWW exactly as it is reported on the SEIRFs. In order to assist workers in doing so, the following enhancements have been embedded within the Self-Employment Income Report Forms dynasection.

Add Additional SEIRF(s) Button

Once workers select a SEIRF Month checkbox or multiple SEIRF Month checkboxes from the SEIRF Month list displayed, they must click the Add Additional SEIRF(s) button to populate an additional blank SEIRF section.

Copy SEIRF Data Button

If information reported remains exactly the same from SEIRF Month to SEIRF Month, workers can copy the prior month SEIRF information in the series by clicking the Copy SEIRF Data button. This is useful when, for example, an individual has reported three months of information on the SEIRF, and each month has the exact same income and expenses. Workers should build each SEIRF Month separately, but the Copy SEIRF Data button makes this process less error prone.

Note: Before using this button, workers must be sure that information reported is exactly the same.
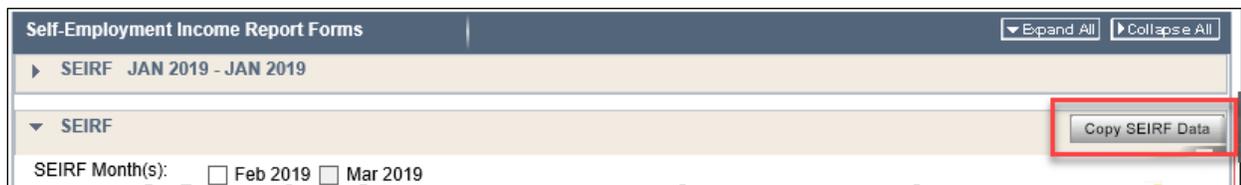
Figure 15 Copy SEIRF Data Button

Display Data Entered Into CWW

Workers have the option to view SEIRF data entered into CWW as a PDF file format for comparison with information provided by the individual on the SEIRF.

SEIRF Determination - Program Add

If a Program-Add request is made on a case with self-employment income, workers must use the existing SEIRF information, instead of re-verifying it, if all of the following are true:

- A recent determination was made;
- SEIRFs were used;
- No significant change has been reported by the individual; and
- The business has not filed taxes in the meantime.

> **Example 2**: Mark applied for health care in January 2019. At that time, he reported a significant change to his business that occurred earlier in December 2018. The worker ran eligibility on the case on January 10, 2019. A Verification Checklist was sent requesting SEIRFs for December 2018 - February 2019. Mark returned the verification and the average was used to prospectively budget his income.
>
> In April 2019, Mark requested FoodShare and Wisconsin Shares. His business has not filed taxes and has not had another significant change since December.
>
> The worker must use the budgeted SEIRF information for December 2018 – February 2019. The worker should not re-request SEIRFs for December 2018 – February 2019 or request a SEIRF for March 2019.

Self-Employment Income Reporting Forms

The business type will continue to determine the type of SEIRF included with the Verification Checklist. If the business type is farm, a Self-Employment Income Report: Farm Business, F-00219, will be included. For any other business type, the Self-Employment Income Report, F-00107, will be included.

Since a SEIRF captures three months of information, the number of SEIRFs included with the Verification Checklist will be dependent on the number of months of information being requested. SEIRF instructions will only be included once per Verification Checklist, regardless of the number of months of information being requested. As an example, if six months of information is being requested, two SEIRFs with one set of instructions will be included with the Verification Checklist. If both the farm SEIRF and regular SEIRF are sent with a Verification Checklist, a copy of both sets of instructions will be included.

The following information, if known, will be populated on the form:
- Individual Name
- Case Number
- Business Type
- Business Name
- Significant Change Date
- Business Months and Years

For an example of a SEIRF when six months of information is requested, refer to attachment 3.

Details and Summary Section

The "Details and Summary" section (formerly titled "Details") consists of three sections:
- Monthly Income Details
- Countable Monthly Income Summary
- Obsolete Information (no changes will be made to this section)

When verification is pending, the section will display only the reported gross income and expenses.

Once verification is received and the Tax Form or Self-Employment Income Report Forms dynasection has been completed, workers must click the Calculate button to prompt CARES to calculate the individual's gross income and expenses, disallowed expenses by program, and countable income per program. CARES will populate this information in each of the fields in each of the sections.

Figure 16 Details and Summary Section

Monthly Income Details Section

The "Monthly Income Details" section (see **Figure 16**) displays calculated amounts, including gross income, gross expenses, and disallowed expenses for FS, MAGI, EBD, CTS, CC, and W-2, once the Calculate button is clicked. Disallowed expenses will display for every program regardless of whether or not the program was requested.

Information in the Gross Income and Gross Expenses fields will be populated with information derived from the Tax Form or Self-Employment Income Report Forms dynasection if the Tax/SEIRF Form Verification field has a valid code. This means that once the Calculate button is clicked, information will display, but workers will be unable to update such information. Otherwise, when the Tax/SEIRF Form Verification field has a pending or failure value (?, Q?, QV, NV, WN, etc.) and there is no dynasection, these two fields will be enabled so that workers can enter a value.

CARES has been programmed to calculate the correct values based on program policies. However, workers can use the Override Amounts field to update the Gross Income, Gross Expense, or Disallowed Expense fields. If an override value is entered, workers must then select an option from the Override Reason field to explain why the updated amount is appropriate.

Here is a list of valid override reasons:
- AE – Agency Error
- CE – Client Error
- FH – Fair Hearing
- PO – Policy Update
- SE – System Error

Figure 17 Monthly Income Section Override Reasons Drop-Down Menu

To override an amount, workers must do the following:
1. Enter a value in the Override Amount field.
2. Select an option from the Override Reason field.
3. Click Calculate.

The values entered in the Override Amount fields will be used in determining eligibility and will be included in the Countable Monthly Income Summary on the Self-Employment page, the Employment Summary page, budget pages, the preprinted renewal form (PPRF), the case summary, and other correspondence.

Note: The Override Amounts fields should rarely be used. These fields were built onto the Self-Employment page to account for tax law changes and updates to program policy that cannot be immediately updated in CARES.

Countable Monthly Income Summary Section

The "Countable Monthly Income Summary" section (see **Figure 16** Details and Summary Section) displays a monthly income summary for FS, MAGI, EBD, CTS, CC, and W-2 based on the reported income, expenses, and disallowed expenses. The amount displayed here is relevant only for this business and will not reflect other income or expenses recorded on the case. If other income and/or expenses are reported on the case, this summary will not match budget page totals.

Note: If income received is a negative number, the negative income will be represented in parentheses. In other words, ($100) equals a $100 loss.

In addition, workers can click the + icon to display information on how the number displayed is calculated.

Self-Employment and Conflict Panels

When workers process renewals, change reports, program adds, and FoodShare Six Month Report Forms received through ACCESS, conflict panels will display on the Self-Employment page.

Most fields in the "Self-Employment Information" section will be displayed in the auto-conflict section of the conflict panel. Only three fields will be displayed in the manual conflict section:
- Gross Income
- Gross Expenses
- Number of months for average

Based on the new information entered and populated, the Self-Employment page will display the Tax Form(s) or SEIRFs dynasection. Workers may pend for further verification using appropriate pend codes.

Figure 18 Conflict Panel for the Self-Employment Page

Significant Change Question in the Conflict Panel

What the individual enters as a response to the "For what tax year did this business last file taxes?" question or the "Has this business had a significant change in income or expenses?" question in ACCESS will impact what information displays in the Conflict Panel and what workers must do to resolve conflicts.

If the individual has responded to the Significant Change question with Yes or I don't know, the conflict panel will display Doesn't Know or Questionable. Workers must contact the individual to discuss the possible significant change. If the worker is unable to contact the individual, they must pend the significant change. Since the response to this question impacts the entire page, workers do not have access to other information reported by the individual until that response is confirmed (though workers can update the Comments box).

Figure 19 Conflict Panel Displaying Doesn't Know or Questionable

If workers change the response to the Significant Change question from ? to Yes, workers will then need to either look at the application PDF or collect the information required from the member.

If the individual has responded No to the question regarding a significant change, the other information the individual reported will be displayed in the auto-conflict and manual conflict fields.

Backdated Eligibility

When SEIRFs are required and workers are determining backdated requests for health care, workers should build the application month on the Self-Employment page first, and then use the Date Navigator to add backdated months.

Example 3: Maggie applied for Medicaid and FoodShare in June and requested backdated eligibility to March. She has been self-employed as a seamstress since February of the same year.

When processing this request, the worker would first create a Self-Employment page with a Begin Month of June (application month).

Taking this action would allow CARES to request SEIRFs for all available months (February through May). Income averaged and/or derived from these four months would be used to determine eligibility in June and ongoing for both Medicaid and FoodShare.

In order to account for the backdate request for Medicaid, the worker uses the Date Navigator to add any recurring month(s), in this example, March, to the same self-employment sequence.

If Maggie had applied for Medicaid in March, CWW would have requested SEIRFs as verification of her self-employment. More specifically, February, March, and April SEIRFs would have been requested and used as verification for the backdated months (March, April, and May).

Note: Although the average for the backdated month differs from the application month and ongoing average, by building the application month before building the backdated months, CWW can request the information needed from Maggie for all required months. The averages may be different; however, the core numbers used to find such averages remain the same.

Example 4: Glenn applied for Medicaid in September and requested backdated eligibility to June. He has been self-employed as a farmer, but reported having a true significant change in circumstances in May.

When processing this request, the worker initially created a Self-Employment page with a Begin Month of September (application month). However, on that September page, the worker enters May as the Significant Change Month.
As a result, the CWW requests SEIRFs for all months since the significant change – May through August. The May through August average income was used for eligibility for the application month of September and ongoing.

To account for the backdated request, the worker added the Begin Month of June (the earliest month of the backdated request) using the Date Navigator.

If Glenn had applied in June, CWW would have requested May, June, and July SEIRFs. This average would need to be used for the backdated months (June, July, and August).

In this scenario, two different averages are used for the two different Begin Months of the page; however, the numbers used to find such averages have remained the same.

Example 5: Hershel applied for BadgerCare Plus and FoodShare for himself in April. Hershel also requested backdated eligibility to January.

Hershel owns a bakery and filed taxes. However, he reports that his previous year's taxes no longer reflect his earnings due to a true significant change that occurred in March.

When processing this request, the worker created a Self-Employment page with a Begin Month of April (application month). The worker also documented March as the Significant Change Month.

As a result, CWW requested SEIRFs for March, April, and May. This average was used to budget monthly income for April and ongoing for BadgerCare Plus and FoodShare.

To account for the backdate request, the worker used the date navigator to add January. If Hershel had applied in January, taxes would have been requested and used as verification of his income in January and February. However, because of the significant change, because taxes no longer reflected the income received, March would also need to be added into Hershel's Self-Employment page. For March, an average of March, April, and May SEIRFs would be used in eligibility determinations.

Applicant	Application Month (and Average Income)	Backdated Month (and Average Income)
Maggie	June: SEIRFs (February, March, April, and May)	March: SEIRFs (February, March, and April)
Glenn	September: SEIRFs (May, June, July, and August)	June: SEIRFs (May, June, and July)
Hershel	April: SEIRFs (March, April, and May)	January: Taxes March: SEIRFs (March, April, and May)

Remember, if a backdate request also reports self-employment, workers should first build the sequence for the application month. This will result in CARES requesting the correct number of SEIRFs needed for eligibility and displaying the correct range of SEIRFs requested on the Self-Employment page (except for one scenario noted below).

If the backdated month is built prior to the application month, workers may need to navigate back to the backdated month when verification is received and update the SEIRF Begin Month and SEIRF End Month fields to reflect what information was actually verified. In this scenario, CWW will have set the range of SEIRFs up to the month prior to the system date rather than the correct range of months based on the backdated month.

Consider Example 3: If the worker had built the backdated month of March first in Maggie's case, CARES would require workers to enter SEIRFs for February, March, April, and May for the backdated month of March. That would be incorrect budgeting if she had applied in March, so the worker must change the SEIRF End Month from May to April, and the Number of SEIRF Months would need change from four to three.

However, even when workers first build the application month, some adjustment may be necessary when the combined range of SEIRFs for the backdated period and the application month exceed 12 months. Because only the most recent 12 months of SEIRFs will be requested of the individual, the SEIRF Begin Month will need to be adjusted accordingly (for the backdated month).

EMPLOYMENT SUMMARY PAGE

Monthly gross income and monthly gross expenses will be displayed in the "Self-Employment Income" section of the Employment Summary page. If a worker has entered an override value for either of these fields on the Self-Employment page, the override value will be displayed on the Employment Summary page. The Disallowed Expenses column will no longer be displayed (because each program has different disallowed expenses).

Self-Employment Income

Row	Individual	Begin Month	End Month	Last Updated	Delete Reason	Seq	Type	Gross Income	Gross Expense		
		04/2019		05/07/2019		5	CONSULTING	$1,000.00	$500.00	🕐	🔍
		04/2019		05/07/2019		4	FARMING	$5,000.00	$5,500.00	🕐	🔍
		03/2019		04/25/2019		3	FOOD AND HOSPITALITY SERVICES	$6,000.00	$6,700.00	🕐	🔍
		03/2019		05/06/2019		2	FOOD AND HOSPITALITY SERVICES	$0.00	$0.00	🕐	🔍
		03/2019		04/18/2019		1	CONSULTING	$800.00	$600.00	🕐	🔍

Figure 20 Self-Employment Income Section of the Employment Summary Page

EMPLOYMENT SUMMARY DETAILS PAGE

Workers can access the "Self-Employment Summary Details" section of the Employment Summary Details page by clicking the "blue clock" icon from the Employment Summary page (see **Figure 20**). The section will be updated to display the monthly countable income per benefit program (FS, MAGI, EBD, CTS, CC, and W-2), regardless of what is (or is not) requested on the case for self-employment sequences created after implementation. For sequences created before implementation, these fields will

be blank. The Gross Income, Gross Expense, and Disallowed Expense columns will no longer be displayed in this section. Instead, workers can find Gross Income and Gross Expenses on the Employment Summary page.

Figure 21 Self-Employment Section of the Employment Summary Details Page

BC+ TAX DEDUCTIONS GATEPOST PAGE AND BC+ TAX DEDUCTIONS PAGE

BadgerCare Plus and Family Planning Only Services are the only programs that consider a net operating loss (NOL) as an allowable deduction (see BadgerCare Plus Eligibility Handbook, Section 16.3.3 Tax Deductions).

Workers will enter NOL deductions on the BC+ Tax Deductions page (rather than the Self-Employment page). A new field – "NL-Net operating loss/Net loss carryover (NOL)?" – will be added to the "Ongoing BC+ Tax Deductions" section of the BC+ Tax Deductions Gatepost page.

CWW will continue to budget the NOL deduction until one of the following happens:
- The worker end-dates the page.
- The worker updates the Verification field to NV or QV.

Figure 22 BC+ Tax Deductions Page With an Ongoing NOL Deduction

VERIFICATION CHECKLIST PAGE

If workers have entered a pending value for any of the following fields on the Self-Employment page, the Verification Checklist page will display the information under the "Pending Information / Verification" column:

- Has a significant change in business occurred?
- Tax/SEIRF Form
- Monthly Hours

Figure 23 Verification Checklist Page Displaying Pending Items

Note: The Pending/Not Verified page will be updated to mirror changes made to the Verification Checklist page.

VERIFICATION DUE DATES PAGE

SEIRF Months are calculated from the month previous to the mailing of the Verification Checklist and the Significant Change Month (or the month for "When did this Business begin?" if the Significant Change Month does not apply).

If the SEIRF End Month (on the Self-Employment page) does not match the previous month from the mailing of the Verification Checklist (on the Verification Due Dates page), the actual SEIRF Months will be recalculated so that the SEIRF End Month matches the previous month from the mailing once more.

The Verification Due Dates page will recalculate the actual SEIRF months under the following conditions:
- If the calculated SEIRF Month range is greater than 12 months, the page will adjust to request only the most recent 12 months. The SEIRF Begin Month will be adjusted to the first month of the 12 months, and the SEIRF End Month will be the month previous to the mailing of the Verification Checklist.
- On recalculating the SEIRF Begin Month, SEIRF End Month, and number of SEIRF Months requested, the Self-Employment page will automatically update to display information requested via the Verification Checklist.

Workers will be notified by a yellow informational banner to state that the SEIRF months have been recalculated.

Figure 24 Recalculation of SEIRF Months Information Banner

Example 6: Recalculation of SEIRF Months

On July 30, Mary applied for BadgerCare Plus. She started her business delivering newspapers in February of this year. The same day, the worker creates the self-employment page. The SEIRF end month on the self-employment page is June and the estimated number of SEIRF Months calculated is five (February to June).

However, the worker does not run eligibility and mail the Verification Checklist until August 2. In this case, the actual SEIRF end month is July, and the actual estimated number of SEIRF months calculated is six (February to July). As a result, the estimated number of SEIRFs and the SEIRF End Month on the Self-Employment page are updated to match.

CORRESPONDENCE

VERIFICATION CHECKLIST

The "Proof Needed" section of the Verification Checklist will be updated to request self-employment income and expenses verification together and to request the average monthly hours worked verification separately. The proof examples that display will be dependent on the requested verification, type of form, and business ownership type. See attachment 4 for the specific pend codes, including text and proof examples.

Proof Needed

This section lists items that we need proof of by the due date listed below. Contact us right away if you have questions or problems getting the proof and we will help you.

What?	Who?	Examples*	Program(s)	Due Date
Income and expenses for : **ANNA'S BUSINESS**	ANNA	Most recently filed IRS tax forms and schedules, such as Form 4797 or Schedule C, C-EZ, E, or F	FoodShare; BadgerCare Plus	DATE
Average number of hours worked per month for : **BUSINESS**	ANNA	Written or verbal statement about the number of hours worked Call the agency listed on page one to give a verbal statement.	FoodShare; BadgerCare Plus	DATE

*If you do not have any of the examples of proof listed, there are other things you can use. For a complete list of examples, go online to dhs.wi.gov/em/customerhelp or contact us.

Figure 25 Verification Checklist Proof Needed Section

Note: Changes to the "Proof Needed" section of the Verification Checklist also apply to the Notice of Decision and the Notice of Pending. The information will display in the "What Was Needed" section.

The "Action Needed" section will be updated to request an individual call his or her agency if a discussion regarding a reported significant change is pending.

Figure 26 Verification Checklist Action Needed Section

If an individual reports a NOL deduction, and a worker pends this information on the BC+ Tax Deduction page, this information will display in the "Proof Needed" section.

Figure 27 Verification Checklist Proof Needed Section With NOL Item

FOODSHARE SIX-MONTH REPORT FORM

The "Self-Employment" section of the FoodShare Six-Month Report form, F-16076, will be updated to display the business name, average monthly expenses, and average hours worked per month (if on file) in addition to the individual's name, business type, and monthly income. Gross income, not net income, will display as the average monthly income.

In addition, the following fields will be added for individuals reporting a new self-employment business:
- Business Name
- Business Ownership Type
- Has the business filed taxes?
- If yes, for what year did the business last file taxes?
- Has the business had a significant change in income or expenses?
- Average Monthly Expenses
- Average Hours Worked Per Month

SECTION 4 (Continued)

C. SELF-EMPLOYMENT

Listed below is the information we have on file for people in your household who are self-employed. If the information has changed, check "Yes," and explain the change in the lines below. If the information has not changed, check "No."

Has this information changed? ☐ Yes ☐ No	Name ANNA MEMBER	
Business Name ABC CONSULTING	Business Type CONSULTING	
Average Monthly Income $000.00	Average Monthly Expenses $0.00	Average Hours Worked Per Month 000

If any information has changed, please explain the change below. Use an additional sheet of paper if more room is needed.

_____

_____

If anyone in your household is self-employed and his or her information is not listed above, complete the following:

Household Member's Name _____ Business Name _____

Business Ownership Type ☐ Partnership ☐ S corporation ☐ Sole proprietorship ☐ I don't know

Business Type _____ Date Business Started _____

Has the business filed taxes? Yes ☐ No ☐ If yes, for what year did the business last file taxes? ____

Has the business had a significant change in income or expenses? ☐ Yes ☐ No ☐ I don't know

Average Monthly Income _____ Average Monthly Expenses _____

Average Hours Worked Per Month _____

Figure 28 FoodShare Six Month Report Form

ACCESS

SELF-EMPLOYMENT PAGE CHANGES

The text on the Self-Employment page in ACCESS (Apply for Benefits, Report My Changes, Renew My Benefits, Add a Program, and Six-Month Report Form) will be updated. The following questions will now be required:

- Has this business filed taxes?
- For what tax year did this business last file taxes? (This question will display if the answer to the first question is Yes.)
- Has this business had a significant change in income or expenses?

Start

People

Other Benefits

Liquid Assets

Other Assets

Job Income

Other Income

Housing Bills

Other Bills

Health Insurance

Submit

More About [ ]'s Self-Employment

You told us that [ ] is self-employed. Please answer the questions below to tell us more about this self-employment.

Business Information

* What type of self-employment business does [ ] have?   `Performing arts`

What is the name of [ ]'s business?

What is the ownership type for this business?   `Sole Proprietorship`

* In what month and year did Sally start this business?   `03/2014` Ex:mm/yyyy

Tax Information

What is the tax ID number or Employer Identification Number (EIN) for this business?

* Has this business filed taxes?   ● Yes ○ No

For what tax year did this business last file taxes?   `2018` Ex:yyyy

* Has this business had a significant change in income or expenses? Click here to see what we mean by a significant change.   ○ Yes ● No   ○ I don't know

Income and Expense Information

If you said this business had a significant change, make sure you tell us the average amount of income and expenses the business has had each month since the significant change.

On average, how much does this business make each month? Please give us the income received before expenses are taken out. $ `1500`   ☐ I don't know

On average, what are the total expenses this business has each month? $ `3000`   ☐ I don't know

On average, how many hours per month does Sally work for this business?   `100`   ☐ I don't know

Figure 29 Apply for Benefits Self-Employment Page

TAX DEDUCTIONS PAGE CHANGE

Individuals will be able to report net operating loss (NOL) tax deductions on the Tax Deductions page in ACCESS.

Figure 30 Apply for Benefits Tax Deductions Page With Net Operating Loss (NOL) Selected

CASE SUMMARY AND PPRF

The self-employment information on the Case Summary and PPRF will be renamed and reorganized to match changes being made to other correspondence and ACCESS. In addition, the depreciation amount, other disallowed expenses, and additional disallowed expenses for Child Care information will be removed.

Person	Business Name	Business Type	
ANNA MEMBER Age: 00	ABC CONSULTING	CONSULTING	
	Date Business Started	**Tax Year Business Last Filed Taxes**	
	DATE	20XX	
	Average Monthly Income	**Average Monthly Expenses**	**Average Hours Worked Per Month**
	$000.00		000

Figure 31 Self-Employment Information Section of the Case Summary

This updated section will display regardless of the program requests on the case, including Wisconsin Shares.

Note: If monthly override values have been entered for gross income and gross expenses in the "Details and Summary" section on the Self-Employment page, those amounts will be displayed on the case summary and PPRF. Negative income will be displayed as an expense on correspondence rather than negative income.

CONVERSION

This section explains when and how workers will need to end-date existing, old-format self-employment sequences, and re-create them in the new format.

WHEN THE OLD-FORMAT SEQUENCES ARE PENDING

If any old-format self-employment pages are pending after implementation, an error message will be displayed on the Self-Employment page and Verification Due Dates page to prompt workers to end-date and re-create the sequence.

In order to prevent incorrect notices from being sent, workers must do the following to end-date an old-format self-employment sequence on the Self-Employment page:
- Select CV-Conversion for all verification codes.
- Zero out the income.

WHEN UPDATING VERIFICATIONS

Workers will be required to end-date and re-create self-employment sequences if they access a sequence in the old format and attempt to update any verification code to a passing or pending code. Workers will not be required to convert old-format Self-Employment sequences if they are only updating a pending verification code to a failing verification code. When end dating an old-format sequence, workers must select CV-Conversion for all verification codes and zero out the income (as described above).

WHEN THERE IS A NET OPERATING LOSS

Net operating loss information will be tracked on the BC+ Tax Deductions page (rather than on the Self-Employment page). After implementation, any NOL expenses built on a Self-Employment page must be end-dated and rebuilt.

WHEN CHANGES ARE REPORTED IN ACCESS

After implementation, ACCESS will gather self-employment information according to the new Self-Employment page format in CWW.

When self-employment information is updated in ACCESS for a renewal or change report, instead of using a conflict panel, workers will have the option to "End date and create new" for the self-employment sequence on the Employment Summary page.

Figure 32 Employment Summary Page With Informational Message

CWW will then display the end-dated, old-format sequence. Workers must create a new self-employment sequence and refer to the ACCESS PDF when manually entering the self-employment information in the new sequence.

CONTACTS

BEPS CARES Information and Problem Resolution Center

For Wisconsin Shares Child Care policy questions outside of Milwaukee County: Bureau of Regional Operations (BRO), Child Care Coordinators at broccpolicyhelpdesk@wisconsin.gov

For Child Care CARES/CWW and CSAW processing questions statewide and policy questions in Milwaukee County: Child Care Subsidy and Technical Assistance line at childcare@wisconsin.gov or 608-422-7200

For W-2 Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For W-2 Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For W-2 WWP and CARES Functionality Questions: W-2 Help Desk

DHS/DMS/BEPS/KD
DCF/DECE/BELP/GS
DCF/DFES/BWF/KS