

**WISCONSIN DEPARTMENT OF HEALTH SERVICES**  
**Division of Medicaid Services**  
**1 W. Wilson St.**  
**Madison WI 53703**

---

To: Caretaker Supplement (CTS) Handbook Users

From: Jori Mundy, Bureau Director  
Bureau of Eligibility and Enrollment Policy

Re: **Caretaker Supplement (CTS) Release 21-02**

Release Date: 8/30/2021

Effective Date: 8/30/2021

| EFFECTIVE DATE |  | The following policy additions or changes are <b>effective 8/30/2021</b> unless otherwise noted. <b>Underlined text denotes new text. Text with a strike through it denotes deleted text.</b> |
|----------------|--|---|
| POLICY UPDATES |  |   |
| 3.1.3          | <b>SSI Eligibility in Wisconsin</b>                    | Clarified SSI requirement for CTS benefits.   |
| 3.1.4          | <b>Citizens and Immigrants</b>                         | Updated title from Citizens and Aliens.   |
| 3.1.5          | <b>Wisconsin Residency</b>                             | Clarified Wisconsin residency policy.   |
| 3.1.6          | <b>Living Arrangement</b>                              | Clarified living arrangement policy.  |
| 3.1.10         | <b>Dependent 18-Year-Olds</b>                          | Clarified CTS-eligible child policy.  |
| 3.1.12.3.2     | <b>Notice</b>  | Clarified policy for using Good Cause Notice already provided to a person for another program.  |
| 3.1.12.3.3     | <b>Good Cause Claim</b>                                | Removed process for disposition of Good Cause Claim form.   |
| 3.1.13         | <b>Concurrent Eligibility With W-2 or Kinship Care</b> | Updated section title and policy for receipt of a final W-2 payment and a CTS payment in the same month.  |
| 3.2.1          | <b>Income</b>  | Added policy for federal income tax refunds and tax credits.  |
| 3.2.1.2        | <b>Income Tests</b>                                    | Clarified policy on disregards and the order in which income tests are used.  |
| 3.2.2          | <b>Assets</b>  | Added federal income tax refunds and the Child Tax Credit as assets disregarded for 12 months.  |
| 4.3            | <b>Recoupment of Incorrect Benefits</b>                | Clarified tracking and recoupment of CTS overpayments and removed procedural instructions.  |
| 5.3            | <b>Forms and Publications</b>                          | Removed links to Authorizations for Retroactive and Recoupment Caretaker Supplement (CTS) Forms.  |
| 5.4.2          | <b>Flows and Timelines</b>                             | Deleted section.  |

## Table of Contents

|  |    |
|--|----|
| 3.1 Nonfinancial .....                                       | 2  |
| 3.1.3 SSI Eligibility in Wisconsin .....                     | 2  |
| 3.1.4 Citizens and Immigrants .....                          | 2  |
| 3.1.5 Wisconsin Residency .....                              | 2  |
| 3.1.6 Living Arrangement .....                               | 3  |
| 3.1.10 Dependent 18-Year-Olds .....                          | 3  |
| 3.1.12 Cooperation With Child Support (CS) Agency .....      | 3  |
| 3.1.13 Concurrent Eligibility With W-2 or Kinship Care ..... | 4  |
| 3.2 Financial .....  | 5  |
| 3.2.1 Income .....   | 5  |
| 3.2.1.2 Income Tests .....                                   | 5  |
| 3.2.2 Assets .....   | 5  |
| 4.3 Recoupment of Incorrect Benefits .....                   | 7  |
| 5.3 Forms and Publications .....                             | 9  |
| 5.4 Illustrations .....                                      | 11 |
| 5.4.1 Scenarios .....  | 11 |

## 3.1 NONFINANCIAL

### 3.1.3 SSI ELIGIBILITY IN WISCONSIN

~~The relationship between parents and children and eligibility for SSI cash benefits in Wisconsin is very important in any CTS case.~~ Parents in a CTS assistance group must be current recipients of SSI state supplemental benefit payments in Wisconsin. If the entire SSI payment is being recouped, the parent does not qualify as a CTS parent. CTS parents may be eligible for both federal and Wisconsin State Supplemental SSI payments (SSP) or for SSP payments only, as a *grandfathered state-only SSI recipient*. When both parents of any CTS eligible child are in the home, both must be receiving SSI in Wisconsin as a condition of CTS eligibility.

SSI or CTS benefits cannot be paid for any month to any federal SSI recipient whose state of jurisdiction is not Wisconsin. ~~This means that if~~ the federal Social Security Administration (SSA) has classified the parent(s)' SSI as within the jurisdiction of Wisconsin and has passed sent this status ~~on~~ to DHS via federal/state SSI data exchange. ~~Local agency workers have access to EDSNET/ WSSI screens to verify whether Wisconsin has been assigned as the state of jurisdiction~~ child may be eligible for a recipient of SSI CTS.

Eligibility for federal SSDI benefits ~~does not qualify a parent as a CTS parent. Neither does eligibility for or~~ Medicaid under s. 1619(b) of the Social Security Act, ~~which is a Medicaid benefit for former SSI recipients whose earnings from work cause them to be ineligible for SSI cash benefits. Either the federal SSA or Wisconsin DHS may designate an individual as eligible for Medicaid under s. 1619(b). However,~~ does not qualify a parent as a CTS parent. A child who receives Medicaid under s. 1619(b) may be eligible for CTS, because he or she does not receive SSI cash benefits.

Children ~~for whom SSI parents receive CTS may not be~~ receiving SSI ~~themselves~~ are not eligible for CTS. However, any child who formerly received SSI and has appealed the termination of SSI (without continuation of cash benefits pending the outcome of the appeal) may be eligible for CTS, even though his or her Medicaid under SSI has continued. A child who receives Medicaid under s. 1619(b) may be eligible for CTS, because he or she does not receive SSI cash benefits ~~When both parents of any CTS eligible child are in the home, both must be receiving SSI in Wisconsin as a condition of CTS eligibility.~~

### 3.1.4 CITIZENS AND ~~ALIENS~~ IMMIGRANTS

### 3.1.5 WISCONSIN RESIDENCY

~~Recipients of CTS, both~~ Parents and children, must currently be physically present and intend to reside in Wisconsin ~~and intend to remain in Wisconsin.~~ to be eligible for CTS.

### 3.1.6 LIVING ARRANGEMENT

~~Recipients of CTS, both parents~~ Parent and children, must reside together in a qualified living arrangement. The following are CTS qualified arrangements:

#### 3.1.10 DEPENDENT 18-YEAR-OLDS

~~State statute defines~~ CTS-eligible children ~~as~~ must either be minors under age 18 or dependent 18-year-olds. A dependent 18-year-old is an 18-year-old who:

1. Is enrolled in high school or an equivalent level of vocational or technical training; and
2. Is expected to graduate high school or get a GED before turning 19.

#### 3.1.12 COOPERATION WITH CHILD SUPPORT (CS) AGENCY

##### 3.1.12.3.2 Notice

The IM agency must provide a Good Cause Notice ([DWSP 2018](#)) to parents whenever a child with an absent parent is part of the CTS application or case. unless the paper notice has already been provided by another program, for example, BadgerCare Plus. The notice describes the right to refuse to cooperate for good cause in establishing paternity and securing child support.

~~**Note:** IM agencies must mail a Good Cause Notice to CTS applicants who apply by mail or by phone unless they have already been provided the notice for another program.~~

-

~~The IM worker and the parent or caretaker must sign and date the notice (except for when the notice is completed for another program in ACCESS and automatically filed in the ECF). The IM worker must then file the original notice in the case record and give the parent a copy.~~ The CSA refers anyone who wants to claim good cause back to the IM agency for a determination of whether or not good cause exists.

##### 3.1.12.3.3 Good Clause Claim

The Good Cause Claim form ([DWSP 2019](#)) must be provided to any CTS parent who requests one. It describes the circumstances that support a claim and how to document a claim.

The parent must sign and date the claim. The parent's signature initiates the claim.

~~The original copy is filed in the case record, a copy is given to the parent, and a copy is attached to the referral document when a claim is made at application.~~

-

A copy of ~~claims~~the claim must be sent to the CSA within two days after a claim is signed. When the CSA is informed of a claim, they will immediately suspend all activities to establish paternity or secure child support until notified of the Income Maintenance Agency's final determination.

### **3.1.13 ~~PROHIBITION AGAINST~~ CONCURRENT ELIGIBILITY WITH W-2 OR KINSHIP CARE**

CTS benefits ~~may not~~cannot be paid to an SSI parent for the same month for which the parent participated in W-2 and received W-2 cash benefits. Receipt of W-2 benefits is defined as the month in which the parent is participating in, and eligible for, W-2 services, regardless of when the parent will receive the payment for that month. Similarly, CTS benefits may not be paid to an SSI parent for a month in which a grandparent or other non-legally responsible relative received Kinship Care benefits for caring for a potential CTS eligible child. CTS parents may receive a final W-2 payment and CTS payment for their child(ren) in the same month since W-2 payments are made after participation in W-2 services.

**Example:** Sally's W-2 participation ended on March 10 when she received notification of SSI eligibility. Even though her final W-2 payment will be received in April, it is for participation in February/March, so Sally's child is eligible for CTS starting in April.

## 3.2 FINANCIAL

### 3.2.1 INCOME

Income of adults and children is counted prospectively when determining eligibility for CTS. Both earned income from work and unearned income, such as Social Security benefits, are counted.

Some income is not received regularly; it is paid in a lump sum amount. Examples are refunds and backpay awards from Social Security or unemployment compensation insurance, union settlements and compensatory time pay-outs or windfall payments like lottery winnings, personal injury awards or inheritances. Lump sum payments are counted as either earned or unearned income in the month they are received. When the dollar amount of the lump sum makes the group ineligible for CTS, ineligibility may continue beyond the month the lump sum was received. The number of total months of ineligibility is calculated by dividing the group's income by the Assistance Standard for the group size (5.2 Income Tables).

Note: Federal income tax refunds and tax credits (including advance payments of credits) are completely disregarded as income, regardless of whether they are received regularly or in a lump sum.

#### 3.2.1.2 Income Tests

Each group applying for CTS must pass two income tests.

The Gross Income Test compares the gross income to the gross income limit (5.2 Income Tables). This test looks at gross deemed, earned and unearned income before applying any disregards, including ~~that earned income~~ of minors. ~~Any who are students.~~ A CTS assistance group that passes this test may proceed to must first pass the final income test, Gross Income Test before proceeding to the Net Income Test.

### 3.2.2 ASSETS

With the exception of SSI recipients, the assets of all members of the CTS single assistance group are counted when determining asset eligibility for CTS. The combined assets owned by the assistance group are totaled and counted toward a \$1,000 asset limit. Liquid assets include, but are not limited to, cash and savings, cash value of life insurance policies, U.S. Savings Bonds, proceeds from a loan (if available for living expenses), and equity value of any non-home real property. Some exclusions apply:

1. One irrevocable funeral trust per group member and one burial plot per group member are disregarded.
2. Student loans are disregarded.

3. Irrevocable trusts are exempt assets.
4. Federal income tax refunds, the Child Tax Credit and the Earned Income Tax ~~Credits~~Credit (EITC) (including advance payments of tax credits) are disregarded in the month of receipt and the following ~~month~~12 months after receipt.
5. The first \$1,500 equity value of one vehicle is disregarded.

## 4.3 RECOUPMENT OF INCORRECT BENEFITS

Occasionally **CTS** benefits are overpaid. This ~~most often occurs~~ may happen when, ~~in retrospect, it is determined that~~ an SSI parent was ineligible for CTS because his or her child(ren) was out of the home, the child received SSI for the month in question, the parent's SSI eligibility was retroactively denied by the Social Security Administration, or the parent provided fraudulent information that ~~lead~~ led to CTS eligibility. Both ~~client~~ member and agency ~~caused~~ errors are subject to recovery as long as they meet the requirements provided below.

Since CTS benefits are paid as part of the parent's SSI benefit payment, the State SSI program ~~must be the entity that~~ recoups overpaid benefits. ~~The CARES system is and BRITS do not used to track CTS benefit recovery.~~ However, the local agency worker must determine when an overpayment has occurred ~~and complete and fax DDES form 2565, Authorization for Recoupment of Caretaker Supplement (CTS) to the SSI program.~~ See PH 9.9.9.

~~The SSI program will establish a recoupment account on the parent's SSI file and send notice of the overpayment to the SSI parent. This notice will include the following information:~~

- ~~1. Amount by month overpaid~~
- ~~2. Recoupment schedule~~
- ~~3. Appeal rights and procedures~~

~~State statute permits the~~ Administrative Rules (DHS 2) ~~permit the State~~ SSI program to collect 10 percent of each future SSI payment (which may include CTS benefits) until an overpayment is repaid. SSI parents may repay the entire amount owed in a single payment, or negotiate with the State SSI program for a payment schedule that is higher than 10 percent per month.





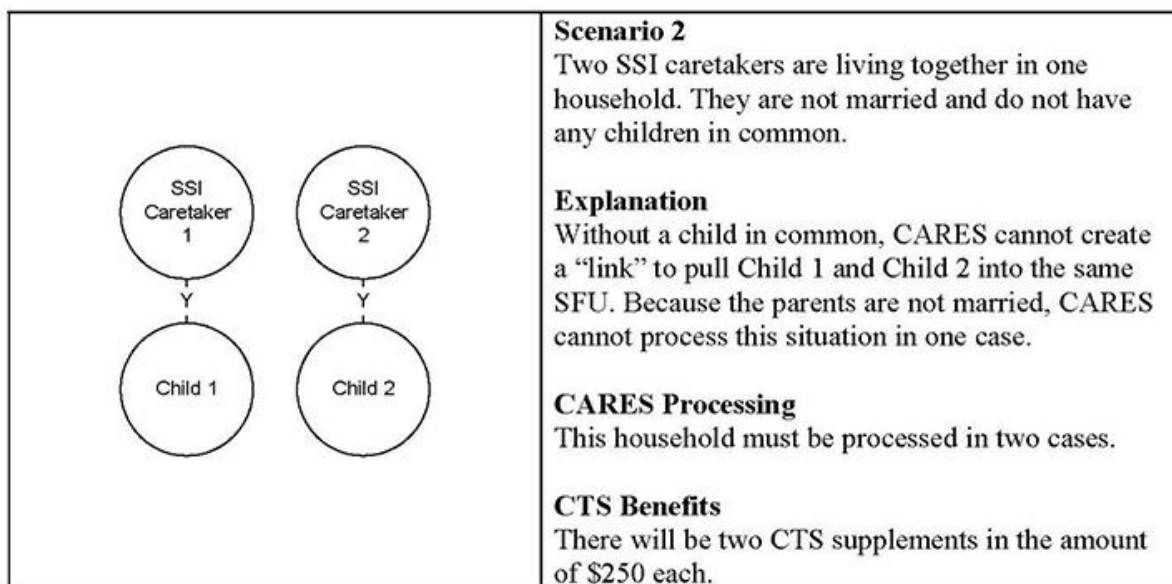
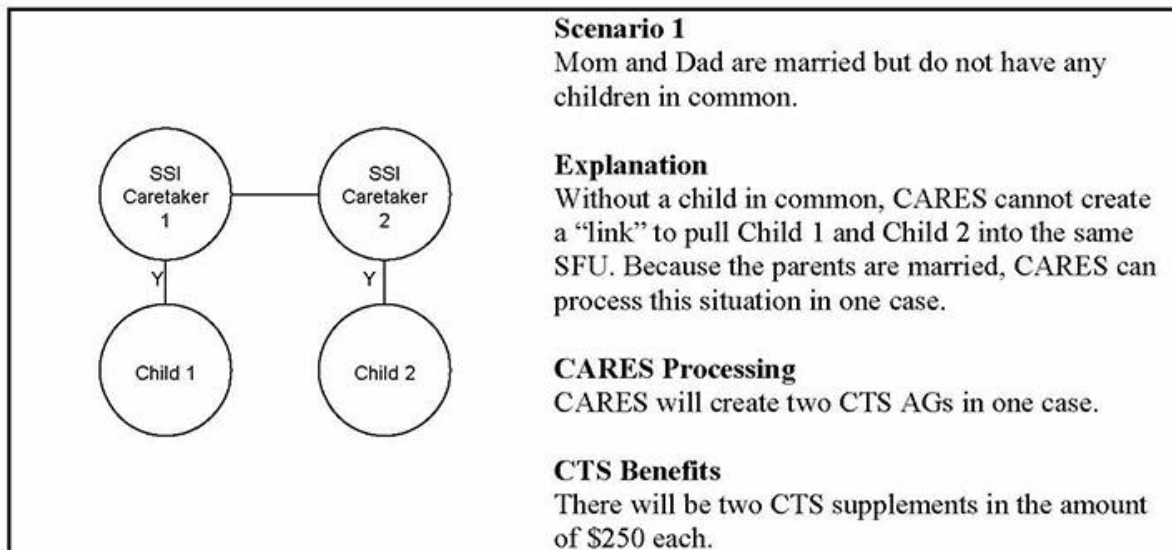
## 5.3 FORMS AND PUBLICATIONS

- [Information about Caretaker Supplement](#) (PDF, 7 KB) (P-23110)
- [Caretaker Supplement Instructions for Application](#) (PDF, 25 KB ) (F-22571A)
- [Caretaker Supplement Application](#) (PDF, 20 KB) (F-22571)
- ~~[Authorization for Retroactive Caretaker Supplement \(CTS\)](#) (PDF, 24 KB) (F-22564)~~
- ~~[Authorization for Recoupment Caretaker Supplement \(CTS\)](#) (PDF, 19 KB) (F-22565)~~



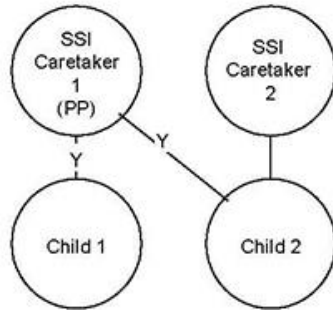
## 5.4 ILLUSTRATIONS

### 5.4.1 Scenarios



**Scenario 3**

The parents in this household are not married. They have at least one child in common. One of the parents has his/her own child(ren).

**Explanation**

The oldest child in common is the target child. The child in common provides a link for his/her siblings to be pulled in to the SFU.

**CARES Processing**

Parents should be coded on ANHR as caring for all of their children. Because Caretaker 1 is the parent for both Child 1 and Child 2, that parent is coded as caring for both children on ANHR.

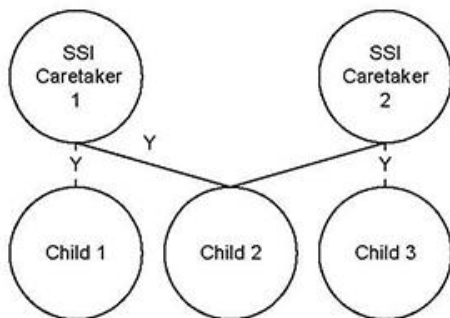
This will produce one AG in CARES.

**CTS Benefits**

The CTS supplement will be \$400, paid to Caretaker 1.

**Scenario 4**

The parents in this household are not married. They have at least one child in common and each has his/her own child(ren).

**Explanation**

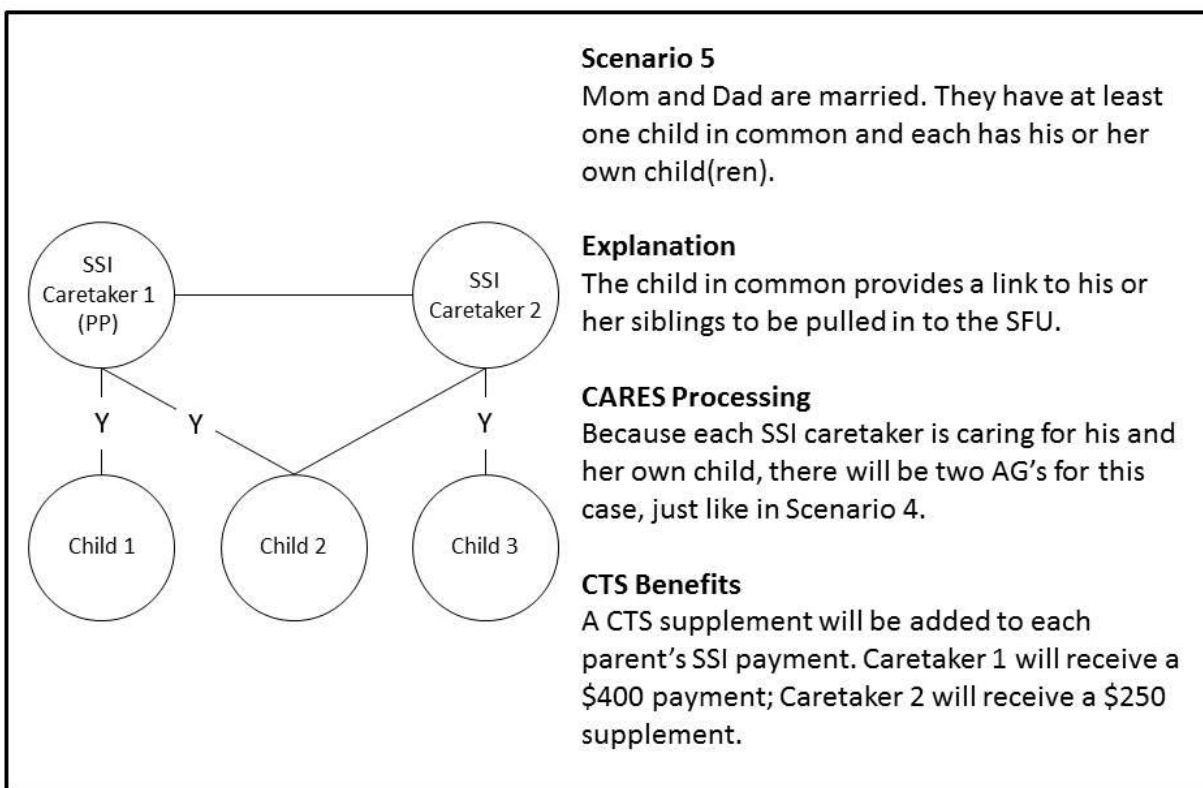
The child in common provides a link to his/her siblings to be pulled in to the SFU.

**CARES Processing**

Because everyone is pulled into one SFU, this scenario will be processed in one AG. Because Caretaker 1 has no qualifying relationship to care for Child 3, Child 3 cannot be included in his/her CTS supplemental payment.

**CTS Benefits**

A CTS Supplement will be added to each parent's state SSI payment. Caretaker 1 will receive a \$400 payment; Caretaker 2 will receive a \$250 supplement.

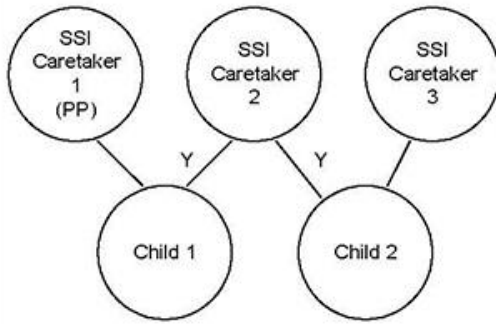


### Scenario 6

There are more than 2 parents in the household, all of which have children, and more than one in common with another parent.

### Explanation

In this scenario, the target child will be the oldest child in common and will pull in all of his/her siblings. Pulling in those siblings will also pull in their parents.



### CARES Processing

This particular scenario will be one SFU and one AG (everyone is pulled into the group.)

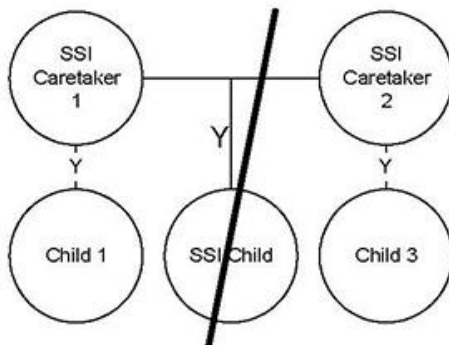
In this scenario, it is important to analyze which parent has the most children in the household; who is the primary caretaker of the majority of the children. That parent (in this diagram, Caretaker 2) should be coded as caring for all of his/her children on ANHR.

### CTS Benefits

This case will be paid one CTS supplement to Caretaker 2 in the amount of \$400.

### Scenario 7

Mom and Dad are married. They have a child in common and a child(ren) of their own. The only child in common is an SSI recipient.



### Explanation

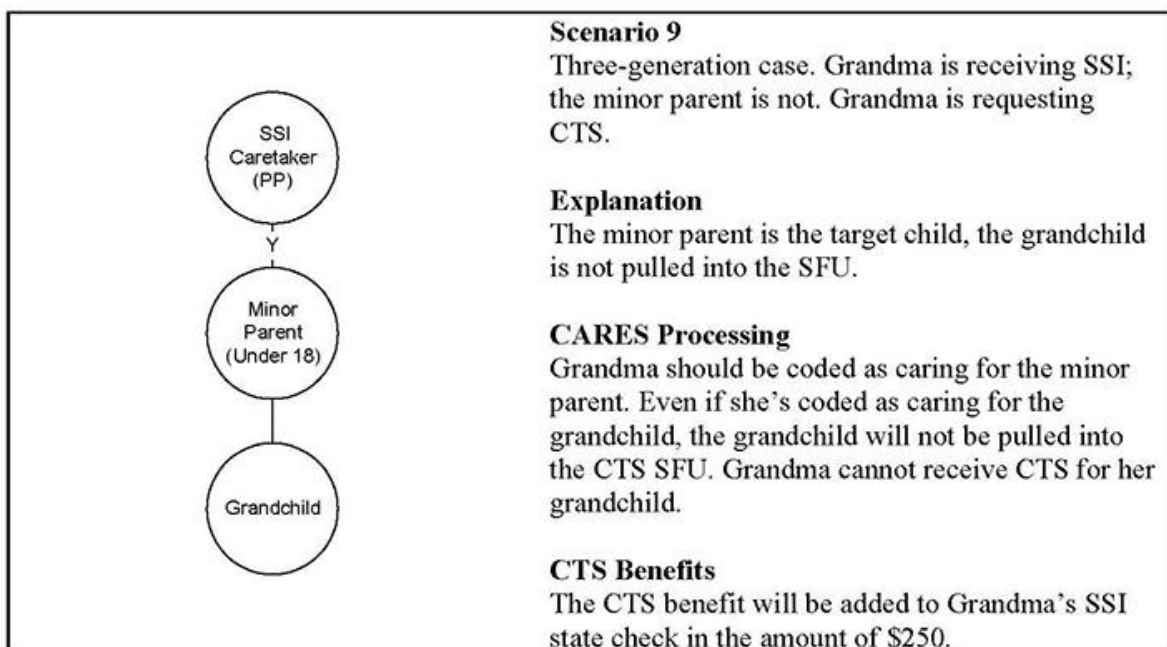
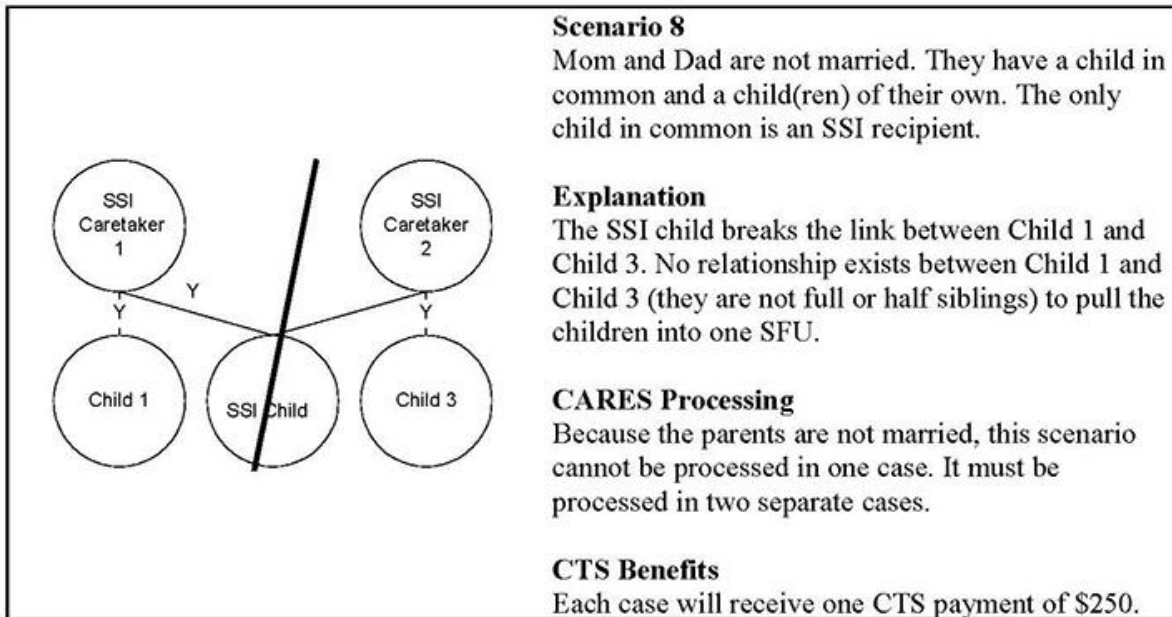
The SSI child breaks the link between Child 1 and Child 3. No relationship exists between Child 1 and Child 3 (they are not full or half siblings) to pull the children into one SFU.

### CARES Processing

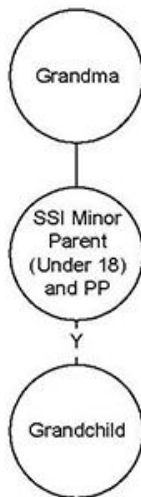
Because the parents are married, this scenario can be processed in one case, 2 AGs.

### CTS Benefits

This case will receive two CTS payments of \$250 each.







#### **Scenario 10**

Three-generation case. Grandma is not receiving SSI; the minor parent is. The minor parent is requesting CTS.

#### **Explanation**

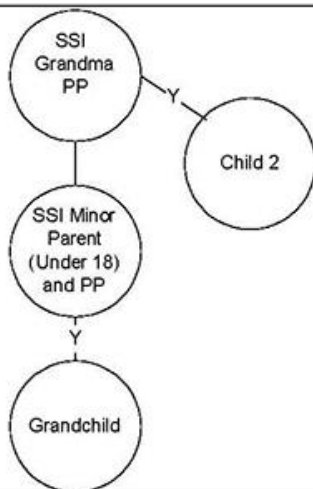
The grandchild is the target child. The minor parent and grandchild will comprise the SFU.

#### **CARES Processing**

The minor parent must be coded as caring for the grandchild.

#### **CTS Benefits**

The CTS benefit will be added to the minor parent's SSI state check in the amount of \$250.



#### **Scenario 11**

Three-generation case. Both Grandma and the SSI child are receiving SSI.

#### **Explanation**

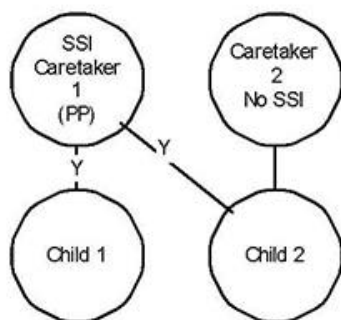
The SSI minor parent cannot be pulled into Grandma's SFU. The household cannot be processed in one case. It must be two separate cases.

#### **CARES Processing**

Grandma should be coded as caring for her non-SSI child in her case. The minor parent should be coded as caring for his/her child in his/her case.

#### **CTS Benefits**

Each case will be paid a CTS benefit of \$250.



### Scenario 12

The parents in this household are not married. They have at least one child in common. One of the parents has his/her own child(ren).

### Explanation

The oldest child in common is the target child. The child in common provides a link for his/her siblings to be pulled in to the SFU.

### CARES Processing

Parents should be coded on ANHR as caring for all of their children. Because Caretaker 1 is the parent for both Child 1 and Child 2, that parent is coded as caring for both children on ANHR. This will produce one AG in CARES.

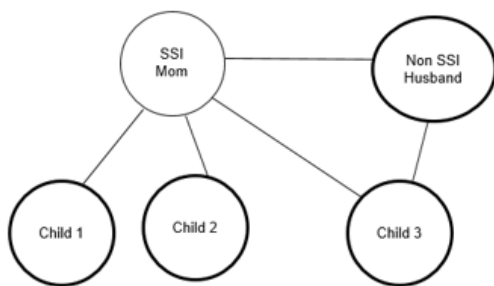
### CTS Benefits

The CTS supplement will be \$250, paid to Caretaker 1. (Child 2 is ineligible because only one of his/her parents is an SSI recipient.)

### Buening Implications

This case has the potential of becoming a Buening case. If the group fails the CTS eligibility test for financial reasons, the worker must determine whether Child 2 is "needy." If Child 2 is needy, the group should be confirmed as ineligible for CTS.

If Child 2 is not needy, the worker must change the request on ACPA to "N" for both Child 2 and SSI Caretaker 2 and retest the group for CTS eligibility.



### Scenario 13

The parents in this household are married. They have one child in common. The mom has two of her own children under age 18. None of the children have any income of their own.

### Explanation

All 3 dependent children of the SSI Mom and the Non-SSI Dad of Child 3, are initially included in the Standard Filing Unit (SFU). The income and assets of all 4 members of the SFU are used to determine financial eligibility for CTS.

### Buening Implications

This household may also end up as a Buening case. If the assets are over the limit or the income for the SFU exceeds the gross or net income limit for the group of 4, the worker must determine whether Dad and Child 3 are “needy”. If the Dad’s and Child 3’s income exceeds the gross or net income limit for Dad and Child 3, Child 3 is not needy and should be excluded along with his/her Dad from the SFU.

### CTS Benefits

If it is determined to be a Buening case and Child 3 is not considered needy, Child 3 and Dad should be excluded from the SFU. If the income and assets of Child 1 & 2 are at or below the limits for an SFU group of 2, they will be eligible for a CTS supplement of \$400, paid to the SSI Mom. Child 3 is ineligible because only one of his/her parents is an SSI recipient.

## 5.4.2 Flows and Timelines

## CTS Administration and Partnerships

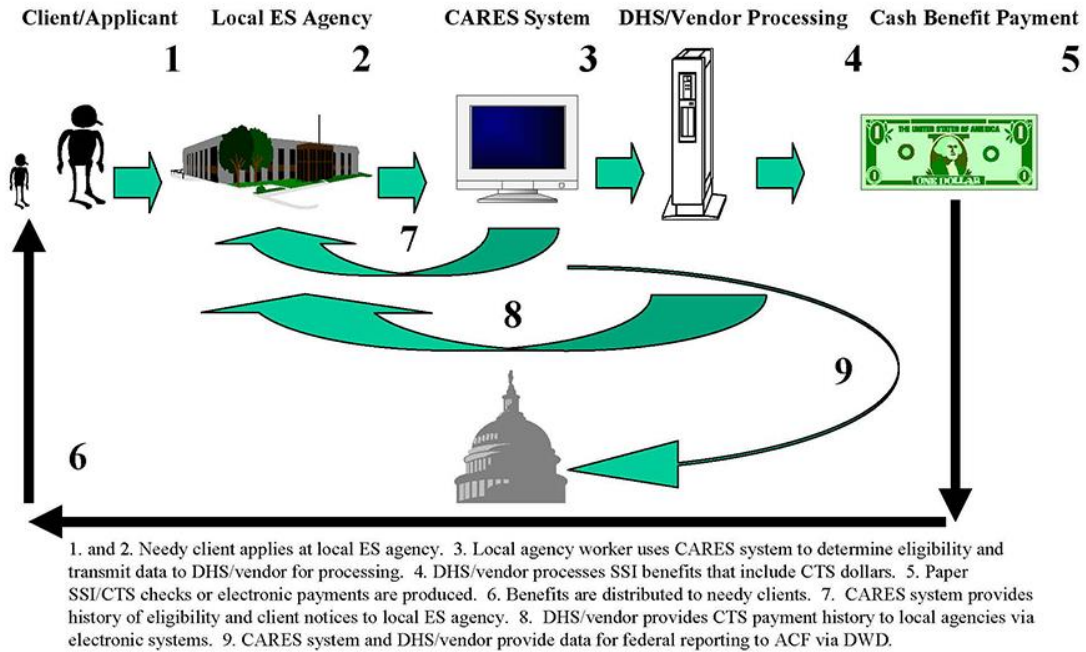
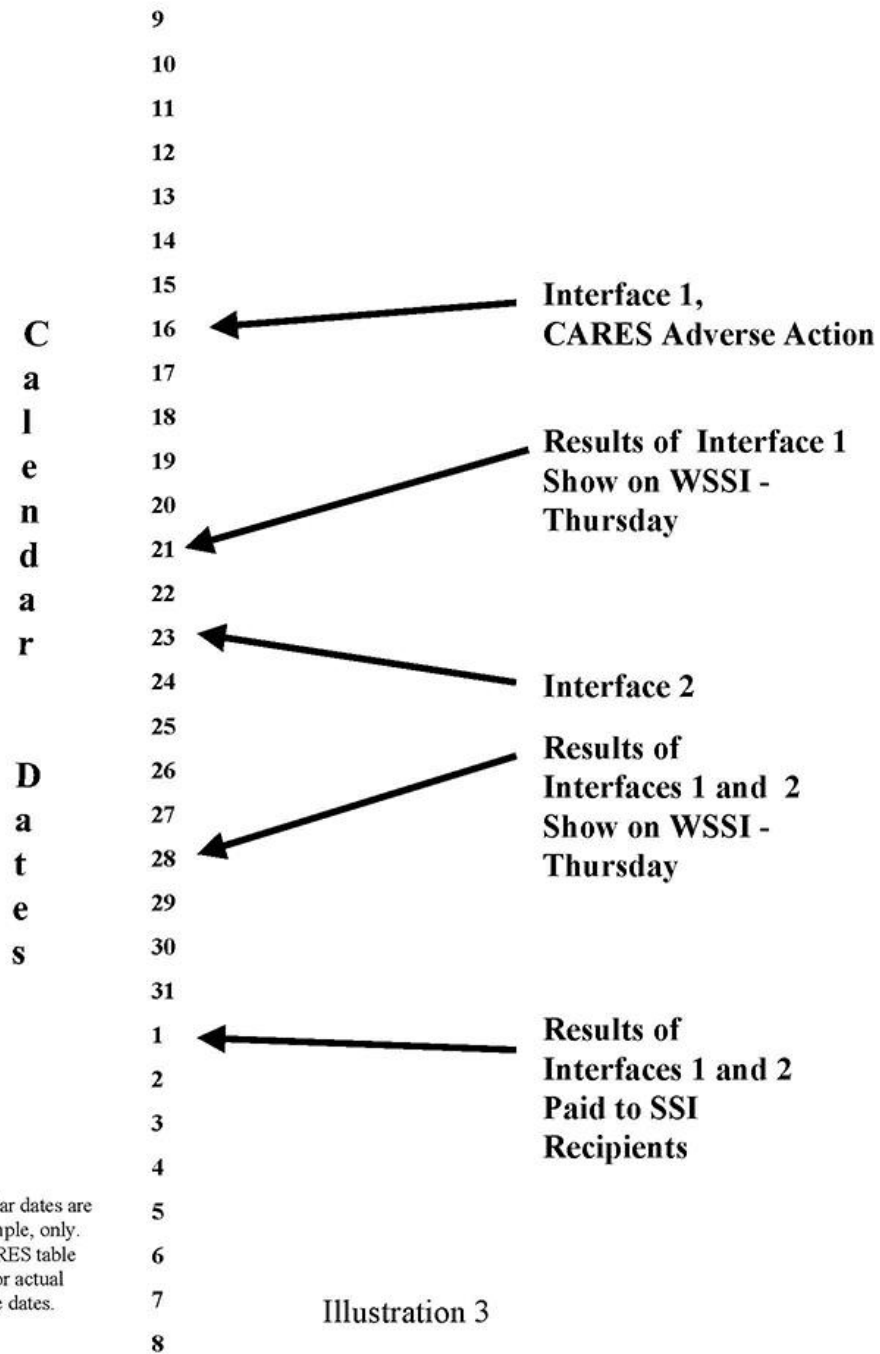


Illustration 1

## CTS Interface Timeline\*



\*Calendar dates are  
for example, only.  
See CARES table  
TCTS for actual  
interface dates.

Illustration 3