VERMONT
DEPARTMENT FOR CHILDREN & FAMILIES
CHILD DEVELOPMENT DIVISION

CDD.1110: Income Eligibility and Household Size

Category: Child Care Financial Assistance Program (CCFAP)

Authority: 33 V.S.A. §3512

Last revised date: 07/03/2022

Effective date: 02/02/2026

Overview

This policy ensures household size and income is determined in alignment with Vermont state regulations.

Updates

For any application processed on or after February 2, 2026, in which the applicant elects to backdate their eligibility start date to a date prior to February 2, 2026, eligibility prior to February 2 shall be determined in accordance with the income eligibility policy effective February 2, 2026.

This document has been updated to reflect the new CCFAP policy formatting, including rewriting and reorganizing the previous policy's content and completing a plain language review. Additional changes include:

1. Updated policy section to include specific information about gross monthly income and household size, and why these factors are used in eligibility determinations
2. Added details about determining household size in section A, including options for families in certain situations
3. Added additional examples and clarification of payments that are excluded from countable income in section B(3):
    a. Withdrawal from bank deposits, including IRA distributions, payment from pensions, annuities, or retirement accounts
    b. Wages and salary of a person who is a dependent living in the household who is **not** a primary caretaker
    c. Money received from federal and/or sponsored programs as stipends, including difficulty of care and work study stipends
    d. Retirement contributions provided by employer

e. Military pay for subsistence, clothing, basic allowance for housing and special duty assignment
f. All military pay for household members deployed on active duty outside of Vermont
g. Medical, health, or life insurance credit if the employee has opted into the program
h. Reimbursements or allowances, including:
    i. Gas
    ii. Clothing
    iii. Child care
    iv. Elder care
    v. Cell phone
    vi. Food and meals
    vii. Transportation
    viii. Tuition assistance
i. Retroactive pay

4. Clarified countable income sources in section B
5. Added information about when verification is required for different sources of countable income in section B(5) and B(6)
6. Added breakdown of income calculations in section C
7. Clarified allowable expenses and calculations in section D
8. Highlighted processes specific to case management in section E
9. Simplified the explanation of exceptions in section F

All changes are highlighted in gray below.

Policy

To receive child care financial assistance, the primary caretaker(s) **must** meet current income eligibility standards. Income eligibility standards are based on household size and gross monthly income, unless otherwise specified. The household size and monthly income is used to help determine the amount deducted from the state rate. The state rates are the maximum amount the state will pay to a child care provider on behalf of a family receiving child care financial assistance. This deducted amount is referred to as the family share, which the family may be responsible for paying directly to the child care provider. Income guidelines are determined based on the Federal Poverty Level.

Procedure

A. Determining Household Size

1. Household members are:
    a. The child’s primary caretaker(s) residing in the child’s home
        i. A primary caretaker is a biological, adoptive, or foster parent of a child; a child’s legal guardian; or other person legally responsible for a child’s welfare.
        ii. A child’s primary caretaker may include a primary caretaker’s spouse, civil union partner, or legal parent residing in the home.
        iii. A primary caretaker is considered residing in the home if they spend at least 50% of their time at the child’s residence.
    b. Resident children who are the legal responsibility of at least one caretaker
        i. Children who are authorized under protective services can only be counted in one household.
    c. Unmarried caretakers residing in the child’s home who have children in common and any children who are the legal responsibility of only one of the caretakers
    d. *Optional:* A family may choose to include a primary caretaker in the household size whose residence in the home is temporarily interrupted by military services, education, training, inpatient services, or employment away from home. If this person is included in the household, the person will need a service need.
    e. *Optional*: A family may choose to include anyone who is claimed as a dependent for tax purposes in the household size.
        i. A dependent is a person under the age of 19, or under the age of 24 if a full-time student, or any age if they are permanently and totally disabled.
        ii. If a dependent is included in the household size, they do **not** require a service need.
        iii. **Note**: Eligibility specialists will **not** verify dependents through requested taxes.
2. An adult can only be counted in one household, unless they are authorized under protective services. If this person is included in the household, the person will need a service need.

3. An application for CCFAP **cannot** be processed without a child in the household. Unborn children are **not** counted in household size until the child is born.
4. A primary caretaker(s) may be a minor.
    a. *Optional*: A primary caretaker(s) who is a minor may choose to have their legal guardian apply as the applicant. If the primary caretaker(s) legal guardian is the applicant, both the primary caretaker(s) and the legal guardian will need to meet service need and household income requirements.
5. A household **must** have an established service need for each primary caretaker residing in the child's home.
6. Income will be considered for anyone counted as a household member.

B. Determining Household Income

1. A household **must** have a monthly gross income at or below levels established in the CCFAP Income Guidelines to be eligible for financial assistance.
2. In determining the eligibility of a household in which a child is residing with both of their unmarried or married primary caretakers, eligibility is established based on the income of both primary caretakers.
3. Income received from the following sources is **not** included in determining income eligibility:
    a. Income received from the sale of real or personal property (house, car, boat, stocks, bonds) unless the primary caretaker(s) was engaged in the business of selling such property, in which case the net proceeds will be counted as income from self-employment
    b. Withdrawal from bank deposits, including IRA distributions, payment from pensions, annuities, or retirement accounts
    c. Money borrowed
    d. Tax refunds including Renters Rebate and Earned Income Credit
    e. Public assistance income, such as income received in DCF Economic Services Division's financial assistance programs, including Food Stamps, Medicaid, Fuel Assistance, Reach Up, Reach First, and postsecondary education program payments, General Assistance and Emergency Assistance
    f. Value of USDA donated food and home produce consumed by the family
    g. Wages and salary of a person who is a dependent living in the household who is **not** a primary caretaker

h. Loans, grants, scholarships, or work-study income received for training or education
i. Incentive payment for training, education, or other programs or activities authorized in a Reach Up plan or other case plan
j. Supplemental Security Income (SSI)
k. Adoption assistance payment under Title IV-E of the Adoption Assistance and Child Welfare Act of 1980 or under the State's Adoptions Assistance Program
l. Payments to foster parent(s) from DCF's Family Services Division to subsidize the care and maintenance of a foster child
m. Money received from federal and/or sponsored programs as stipends, including difficulty of care and work study stipends
n. The following sources of military pay
    i. Subsistence (BAS)
    ii. Clothing (CLTV)
    iii. Basic Allowance for Housing (BAH)
    iv. Special Duty Assignment Pay
o. All military pay for household members deployed outside of Vermont
p. Retirement contributions provided by the employer
q. Medical, health, or life insurance credit provided by the employer if the employee has opted into the program
r. Reimbursements and allowances including:
    i. Travel
    ii. Clothing
    iii. Child care
    iv. Elder care
    v. Cell phone
    vi. Food and meals
    vii. Tuition assistance
    viii. Health incentives
    ix. Moving expenses
s. Retroactive pay

4. Gross income may include all payments from countable sources received by a primary caretaker(s) or their child(ren).
5. Countable income payments that require verification are:
    a. Primary caretaker(s) salaries and wages, including:
        i. Current wages or wage equivalent payments, including:
            1. Overtime
            2. Draws
            3. Disability
            4. Parental leave
            5. Family paid leave
            6. Short term disability
            7. Standby / on-call pay
            8. Paid time off including holiday, sick, and vacation
            9. Training
            10. Bereavement
            11. Shift differentials
            12. **Note**: Eligibility specialists **must** review any line-item amount on a paystub **not** within the countable or excluded lists above with a grant monitor.
        ii. Medical, health, or life insurance credit provided by the employer if the employee has opted out of the program
        iii. Tips
        iv. All bonuses, commission, profit sharing, awards, gifts, payouts, lump sums, and incentive payments listed on the verification document individually of $500 or higher annually for each line item.
            1. Each type of payment will be entered into the Child Development Division Information System (CDDIS) individually as annual income. The amount will be taken **only** from year-to-date.
            2. ***Exception***: If a household member has commission as the **only** source of income on all verification documents, the commission will be entered as wages. Do **not** use commission in year-to-date if commission is the **only** source of income.
        v. Military wages

1. ***Exception***: All military income is excluded when the primary caretaker is deployed outside of Vermont.

b. Child support income as determined through a court order
   i. **Not** received through the Office of Child Support (OCS)
      1. The primary caretaker will provide a copy of the court order.
      2. If the primary caretaker receives an amount of child support that is different than the court ordered amount, they may self-attest the actual amount received on the CCFAP application or Child Support Information Form.
   ii. Received through OCS
      1. The primary caretaker will provide a copy of the court order.
      2. If the primary caretaker receives an amount of child support that is different than the court ordered amount, they may submit a 12-month payment history from OCS. If the start date for payment is less than 12 months, the total is divided by the number of full months from the start date to the current month. **Only** payments made directly to the family will be counted.
   iii. **Note**: Child support income may be removed from household income if a primary caretaker has **not** received 3 months of consecutive payments from the last received payment. A primary caretaker may report this change by following CDD.1060 Reporting Changes policy.

c. Social Security Benefits, including:
   i. Social Security Retirement
   ii. Survivor benefits
   iii. Social Security Disability Insurance (SSDI)
   iv. Family benefits (spousal or child benefits) paid to certain family members of people who are eligible for retirement or disability

d. Alimony

e. Unemployment compensation

f. Veteran's benefits, including:
   i. Special Monthly Compensation (SMC)
   ii. Dependency and Indemnity Compensation (DIC / also referred to as survivor benefits)
   iii. Disability Compensation

iv. Special Claims Compensation

g. Workers' Compensation

h. Self-employment income, including rental income used to support a service need of self-employment, as determined by CDD.1125 Self-Employment policy.

6. Countable income payments that do **not** require additional verification and are self-attested are:

   a. Child support income **not** determined through a court order, including:

      i. Child support direct payments as documented on the CCFAP application

      ii. Child support direct payments as documented on the CCFAP Child Support Information Form

      iii. Payments or goods received in lieu of child support

   b. Supplemental rental income when **not** used to support a service need of self-employment

   c. Trust fund income

   d. Interest payments or dividends of $500 or higher annually

   e. Reoccurring unearned income payments of $500 or higher annually, including:

      i. Lottery or gambling winnings

      ii. Severance packages

      iii. Settlement payments

   f. Verification may be required for any countable income payments if determined by CDD.

C. Income Calculations

1. Gross income is calculated on a monthly basis.

2. If an income source requires an average amount for the month, the eligibility specialist will add the sources of countable gross income together and divide by the number of sources provided for an average amount to calculate to a monthly income.

   a. *Example*: A primary caretaker provides two weekly pay stubs. The eligibility specialist will add the countable gross income from each pay stub together and divide by two to get the average countable gross income for a weekly income. This average amount will be multiplied by 4.3 to get the monthly countable gross income.

3. Eligibility specialists will enter each income source individually in the frequency as received. The Child Development Division Information System (CDDIS) will automatically calculate a monthly income by the following calculations.
   a. If the income is received weekly (52 payments per year):
      i. X multiplied by 4.3 = monthly income
   b. If the income is received bi-weekly (26 payments per year):
      i. X multiplied by 2.15 = monthly income
   c. If the income is received semi-monthly (24 payments per year):
      i. X multiplied by 2 = monthly income
   d. If the income is received monthly (12 payments per year):
      i. X = monthly income
4. The primary caretaker may request income to be spread over 12 months if the income fluctuates on a monthly basis and they are employed year-round.
   a. The eligibility specialist **must** request a copy of the 12-month payroll record to calculate gross monthly income.
5. The primary caretaker may request income to be spread over the contracted period if a primary caretaker works on a contracted basis.
   a. The eligibility specialist **must** request a copy of the contract to calculate gross monthly income.
   b. The contracted amount will be divided by the number of months covered by the contract period.
   c. The contract **must** include start and end dates, gross compensation, and expected hours of employment.
6. All bonuses, commission, profit sharing, awards, gifts, payouts, lump sums and incentive payments listed on the verification document individually of $500 or higher annually for each line item will be entered individually as annual income regardless of if the amount is listed in current or year-to-date.
   a. ***Exception***: If a household member has commission as the **only** source of income on all verification documents, the commission will be entered as wages.

D. Household Expenses

1. Allowable household expenses that are deducted from household income are child support payments and deposits into a qualified child education savings

account, such as the Vermont Higher Education Investment Plan or other 529 plan.

2. Expenses are deducted from gross monthly income.
3. Expenses are **only** counted if the expense is paid by the primary caretaker(s).
4. The primary caretaker may choose scheduled, ongoing expenses or a payment history to determine expenses.
   a. For scheduled, ongoing expenses, eligibility specialists will enter each current expense individually in the frequency as expended. CDDIS will calculate a monthly expense by using the following formulas.
      i. If the expense is paid weekly (52 payments per year):
         1. X multiplied by 4.3 = monthly expense
      ii. If the expense is paid bi-weekly (26 payments per year):
         1. X multiplied by 2.15 = monthly expense
      iii. If the expense is paid semi-monthly (24 payments per year):
         1. X multiplied by 2 = monthly expense
      iv. If the expense is paid monthly (12 payments per year):
         1. X = monthly expense
   b. If a payment history is used and payments fluctuate over a 12-month period, the total amount may be added together and entered into CDDIS as an annual expense or divided by 12 and entered as a monthly expense.
   c. If a payment history is used and a complete 12-month period is **not** available, the total is divided by the number of full months from the payment start date to the current month. This amount is entered into CDDIS as a monthly expense.
5. Eligibility specialists **must** request verification of expenses.
   a. Qualified education savings plan verification **must** show the type of account, the scheduled payments or 12-month payment history.
   b. Child support verification must show at least one month of payment history or scheduled payments. Verification may include bank statements, paystubs, Venmo receipts, etc.

E. Case Management

1. Eligibility specialists will add each type of income separately in CDDIS on the Household Income and Expense page of the application.

  a. *Example*: A primary caretaker receives a bi-weekly paystub showing wages and a current bonus for one paystub and just wages in the second paystub. The eligibility specialists will add together the amounts listed on the wages line from both paystubs and divide by two and enter the total as bi-weekly income in CDDIS. The amount listed on the bonuses line in year-to-date will be entered separately as annual income in CDDIS.

2. If a caretaker has verification of a change in income payments, they may follow CDD.1060 Reporting Changes policy and submit new verification at any time.

F. Exceptions

1. The income eligibility requirements are waived and eligible children are determined to have a $0 Family Share for the following situations:
   a. Applications with a service need of protective services, Family Support Child Care, or Reach Up.
   b. Children adopted from the DCF's Family Services Division with an Adoption Assistance Agreement.
   c. Children who are eligible under CDD.1085: Legal Guardians and Other Persons Legally Responsible for a Child’s Welfare policy and receive a TANF / Reach Up Child Only grant.