

**DSS ADMINISTRATIVE LETTER
CHILD WELFARE SERVICES CWS-AL-02-11**

TO: COUNTY DIRECTORS OF SOCIAL SERVICES

**ATTENTION: CHILDREN'S SERVICES PROGRAM MANAGERS AND SUPERVISORS
CHILDREN'S SERVICES SOCIAL WORKERS**

DATE: May 16, 2011

**SUBJECT: Tax Relief, Unemployment Insurance Reauthorization and Job Creation
Act of 2010 and the Revised DSS-5120**

EFFECTIVE DATE: IMMEDIATELY

I. BACKGROUND INFORMATION

On December 17, 2010 Congress passed the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 ([P.L. 111-312](#)) which clarified IV-E eligibility determinations for foster children.

Congress passed this legislation out of concern that biological parents who have had their children removed would be required to include any tax refund received anytime in the 12 months preceding the removal of their child, in the determination of their income or resources when qualifying their child for IV-E eligibility. As a result of this, the Administration for Families and Children (ACF) has informed states that effective immediately, a tax refund **must** be excluded from consideration as income or resources for the family assistance unit if that tax refund was received within a 12 month period prior to the child's removal.

This applies to any program that is funded in whole or in part by Federal funds to include IV-E eligibility. A family assistance unit may not be determined ineligible for title IV-E on the basis of having assets above the limit of \$10,000, if the assistance unit would not have met the resource limit if the tax refund was disregarded.

II. PROCEDURE

Tax refunds have not been included as income in establishing the family budget in the past but may have been included as part of the family's resources. To comply with this new requirement to disregard tax refunds from inclusion in resource identification, the [DSS-5120](#) has been revised.

The revisions relate to the addition of two questions added to section 3 on page 10, under AFDC Resources' Determination of FAU members (From Part IV). These questions are:

	Amount	How Verified?
If No, What was the total amount of Federal tax refund the household received in the last 12 months?		
	Yes	No
Is the difference between the family assistance unit's reported assets and the amount received from the tax refund less than \$10,000?		

Information regarding tax refunds for anyone within the family assistance unit will be needed **only** if receipt of such a refund may affect eligibility for benefits. The tax refund would need to be deducted from the total amount of resources if they are \$10,000 or more. If you have any questions about the information included in this Administrative Letter, please contact Susan Sanderson of the Local Support Operations Team at (910) 293-4356 or at susan.sanderson@dhhs.nc.gov.

Sincerely,



Kevin Kelley, Interim Chief
Child Welfare Services

cc: Sherry S. Bradsher
Jack Rogers
Kathy Sommese
Child Welfare Services Team Leaders
Children's Services Program
Representatives
Local Business Liaisons