

MAKING THE TRANSITION FROM WELFARE TO WORK Benefits for Families and Employers

✓ **Transitional Benefits.** Families who leave welfare for work are eligible for transitional benefits. Families on welfare for three of the preceding six months can receive the following assistance:

- SoonerCare for parent and children for up to one year
- Child care assistance for up to one year

After one year, the children may be eligible depending on family income.

✓ **Employer Incentives.**

- **Work Supplementation Program - Reimburses employer for wages paid.**
The Work Supplementation Program is a subsidized employment opportunity through which a recipient of cash assistance is hired in full-time employment with DHS reimbursing the employer for wages paid at a maximum of \$250 per month for up to six months.
- **Work Experience Program - Screens and matches employees to your business.**
You have the rare opportunity to train and evaluate an employee's performance for 90 days before hiring.
- **Work Opportunity Tax Credit (WOTC)**
The WOTC law permits for-profit employers to take a credit on their federal income tax when workers from certain groups (including recipients of cash assistance) are hired. To claim the credit, the employee must be retained at least 180 days or work at least 400 hours.

It makes good *business*sense to help families move from welfare to work.

ACTIONS EMPLOYERS CAN TAKE TO HELP LOW INCOME FAMILIES

- Post information on SoonerCare, the EIC, Food Stamps and available child care assistance in employee break rooms, rest rooms and on bulletin boards.
- Provide verification of an employee's wages and income promptly when requested. (Encourage your employees to retain check stubs for purpose of verification.)
- Have W-5 forms on hand for employees who wish to receive advance payment of the EIC.
- Have representatives from SoonerCare, child care, Food Stamps and the EIC visit your company to present information on their programs.
- Have representatives from SoonerCare visit your company to take applications for SoonerCare.

If you or an employee would like more information on SoonerCare, the Earned Income Credit, Food Stamps, child care assistance or employee incentives, call your local Department of Human Services.



Facts For Employers

EMPLOYERS CONNECTING EMPLOYEES TO BENEFITS FOR LOW INCOME WORKING FAMILIES

Did you know you can help your low income workers make more money, get help with family health coverage and child care at no additional cost to you?

✓ Check out these benefits that can [help you hire](#) and [retain](#) workers.

Children do not have to be on welfare to be eligible for SoonerCare. SoonerCare eligibility for children is based on family income, age of children and citizenship. SoonerCare is available for children through age 17 in single and two parent families.

Parents who leave welfare for work may receive SoonerCare for up to one year - children too! After one year, depending on the family's income, the children may still be eligible for SoonerCare.

Parents who leave welfare for work may receive help with child care expenses depending on the family's income.

Low income working families can get more take home pay in their paycheck through the Earned Income Credit (EIC). A portion of the EIC money can be received monthly and the remainder when they file their federal tax return—regardless of whether or not they owe taxes.

Low income families may qualify for Food Stamps while working full time. For example, a family of three with income at one and a half times the minimum wage may qualify for assistance through the Food Stamp program.

It's good business to be informed about benefits for low income working families.

Read on!

SOONERCARE PROGRAM FOR CHILDREN

SoonerCare Health Benefits

- Hospital Care
- Visits to the doctor
- Preventive Care
- Medicine
- Dental Care
- Immunizations
- Eyeglasses

- ✓ Eligibility is based on income, age of children and citizenship
 - ✓ No test for assets or resources
 - ✓ Available for children in single and two parent families
 - ✓ Available for children with health insurance

To obtain SoonerCare for children, an application must be filed providing information such as the family's income and social security numbers for the parent(s) and children. A family can apply at their local Department of Human Services and, in most areas, they can apply at a hospital, a health department or some health clinics. Call your local Department of Human Services office.

EXAMPLE

In calculating SoonerCare eligibility, certain deductions from income are allowed. For example, a two parent working family with children ages three and five and gross monthly income of \$2,773 can take standard deductions for work (\$120 for each parent) and child care expenses (up to \$175 for each child). These standard deductions reduce their monthly countable income to \$2,183 making the children eligible for Medicaid.

| SOONERCARE ELIGIBILITY WORKSHEET | |
|--|----------------|
| Combined Gross Income (Both parents) | \$2,773 |
| Minus Standard Work Deduction (\$120 for each parent) | -240 |
| Minus Standard Child Care Deduction (\$175 for each child) | <u>-350</u> |
| Countable Monthly Income | \$2,183 |

The following table provides 1998 monthly SoonerCare income guidelines by income and age of children. As illustrated on the worksheet above, families with gross incomes greater than the amount displayed below may still qualify for SoonerCare due to standard deductions.

| MONTHLY INCOME GUIDELINES SOONERCARE ELIGIBILITY FOR CHILDREN (1998) | |
|---|----------------------------|
| Family Size (Parents and Children) | Children Through Age 17 |
| 2 | \$1,673 |
| 3 | \$2,105 |
| 4 | \$2,537 |

NOTE: Income guidelines are adjusted upward annually to reflect increases in the poverty level.

EARNED INCOME CREDIT

Low income working families with children can qualify to get more take home pay through the Earned Income Credit (EIC). The amount of the EIC a family can receive depends on their income and the number of children in the household. In 1998, a family with two or more children can earn up to \$30,095 a year and qualify for the EIC. **A family does not have to owe taxes to receive the EIC.**

There are two ways a family can get the EIC

- ✓ A family can get all the EIC when they file their federal tax return.

OR

- ✓ A family can receive some portion of the EIC **in advance** with each paycheck and the rest when they file their tax return. Employers should have employees complete Form W-5. (Call 1-800-829-3676 for free W-5 forms.) The employer adds a portion of the credit to the paycheck. The amount of the credit is then subtracted from the federal withholding deposit.

EXAMPLE

In 1998, a family with gross income between \$9,384 and \$12,264 per year (with two children) can qualify to receive the maximum EIC—\$3,756. The family can elect to receive \$3,756 in one refund payment when they file their federal tax return OR the family can elect to receive \$113 a month in advance with their paycheck and the remaining \$2,400 when they file their federal tax return.

To receive the EIC, a family **must** file a federal tax return. Free help is available in filing tax returns for families applying for the EIC. For information call the IRS at 1-800-829-1040. Information can also be obtained from the Internet at <http://www.irs.ustreas.gov>.

Promoting the EIC is smart business. It will increase the amount of a family's take home pay at no additional cost to the business.

CHILD CARE

Assistance with child care may be available based on income.

Families may choose where they place their child for child care. Choices may include a licensed child care center, a licensed family day care home or care in the family's home.

A family can get information on child care assistance at the local Department of Human Services.