**Section 112.143 Recognized Employment Expenses**

a) For earnings from self-employment and rental property, an amount equal to the expenses directly attributable to producing goods or services or an amount equal to the expenses of rental shall be deducted from the income prior to the application of the $3 for $4 exemption.

b) Day Care

1) Day Care expenses are to be covered as direct payment except as follows:

A) For children age 13 and over who do not require child care because of a physical or psychological condition or because of court-ordered supervision.

B) When a family which was receiving AFDC and was utilizing the child care disregard on October 13, 1988 would become ineligible for TANF if the child care were paid directly.

C) For the care of an incapacitated adult.

D) At intake, when determining initial eligibility, the child care deduction pertains to verified child care expense for the month of application.

2) For cases that are exceptions to direct payment, use the child care deduction. Child care expenses shall be deducted from income up to a maximum of $200 per child for each child under age two and $175 for each child age two or older.

3) Direct payment and the child care deduction are not allowed when the child care provider is a responsible relative (see 89 Ill. Adm. Code 103.10(b)) of the child receiving care. Day care payments are not allowed if the child care provider is a step-parent who is providing care to and living with his or her step-children.

4) Direct payment for child care expenses shall be made to qualified child care providers in accordance with 89 Ill. Adm. Code 50.240.

5) Eligibility for child care payments is limited to the first day of the calendar month prior to the month a request for child care services is made.

(Source: Amended at 34 Ill. Reg. 10085, effective July 1, 2010)