



State of New Jersey

DEPARTMENT OF HEALTH AND SENIOR SERVICES

DIVISION OF FAMILY HEALTH SERVICES

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[www.nj.gov/health](http://www.nj.gov/health)

JON S. CORZINE  
Governor

FRED M. JACOBS, M.D., J.D.  
Commissioner

Date:

Subject: Self-Employment

Dear Parent(s):

The New Jersey Early Intervention System (NJEIS) under the lead agency of the Department of Health and Senior Services has received documentation that a member(s) of your family may be self-employed. This letter will clarify some of the issues and misconceptions surrounding the determination of Family Cost Share (FCS) for self-employed family members. When your child was determined eligible for early intervention services your service coordinator had you complete and sign-off on a NJEIS Family Cost Payment Option Form. Although the FCS determination is delayed, the effective date of FCS is retroactive to the date the family signed the Family Cost Share Payment Option Form and/or the date of the first billable service. Please note that families are responsible to pay their family cost share or the actual cost of services whichever is the lesser amount.

The state office for the NJEIS is involved in making any final determination of a family's cost share when it involves self-employment. As such, the NJEIS requires copies of current federal tax documents. These documents may be submitted through your service coordinator or upon request to the state office. If any documents are missing or incomplete, your family's FCS determination may be delayed. The documentation required includes:

- A copy of the signed and dated Family Cost Participation Payment Option Form.
- Most Current Year of IRS Tax Form (all pages to be included)
- Schedule C\*
- Schedule E\* (If a Schedule E was filed, the following business tax documents from each company, corporation and/or partnership are required)
  - Business' (partnership/corporation) income tax return (same calendar year as the personal tax return)
  - Form 8582
  - Form K-1
  - Form 4562
  - Form 1120S
  - Form 1065
  - Statements

**\*Note:** If Schedule C or E does not clearly identify gross income, proof of gross self-employed income (total gross receipts/sales) may be requested at the discretion of the DHSS-EIS to complete the determination. In addition, if "Cost of Goods" is not itemized, proof of the expenses/costs may be requested at the discretion of the DHSS-EIS.

When the NJEIS determines the family cost share, a copy of the New Jersey Early Intervention System Family Cost Participation Notice is provided to your family and service coordinator. The New Jersey Early Intervention System Family Cost Participation Notice is the official family notice provided by the NJEIS. Please understand that any projections or estimates verbally or in writing that you may receive are not the final or official determination. To help estimate your FCS, you may determine your income bracket by using the Family Cost Share Tables and your gross income and receipts (do not deduct expenses):

[http://www.state.nj.us/health/fhs/cost\\_participation.htm](http://www.state.nj.us/health/fhs/cost_participation.htm)

Your family will begin receiving an Explanation of Benefit (EOB) from the NJEIS vendor, Covansys when your child begins to receive services. The EOB will state that “this is not a bill”, and since your FCS has not been determined it will state that your family cost balance is zero. However, your family may have a retro-active cost share balance once all documents are reviewed by the state office and a family cost determination is finalized.

Should you have any further questions about this process please contact your service coordinator. Your service coordinator can also access the assistance of the Regional Early Intervention Collaborative (REIC) and/or the state office.

Sincerely,  
New Jersey Early Intervention System