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Subchapter:	2	KLG	
Issuance:	200	KLG Subsidy Program	

Purpose:

This issuance establishes policy and procedure related to the CP&P Kinship Legal Guardianship (KLG) Subsidy Program providing financial assistance for children placed by CP&P with kin caregivers, who subsequently obtain kinship legal guardianship of the child. This policy outlines the provisions of the KLG Subsidy Program and the Federal Kinship Guardianship Assistance Program.

Authority:

- Section 471(a)(28), 473(d) and 474(a)(5) of the Social Security Act
- P. L. 110-351, Fostering Connections to Success and Increasing Adoptions Act (FCSIAA) of 2008, Title I, Connecting and Supporting Relative Caregivers, Section 101, Kinship Guardianship Assistance Payments for Children
- Federal and State Funds Support the Subsidy Program 3-11-2013
- N.J.A.C. 10:132A, Legal Guardianship

Policy:

A) Federal and State Funds Support the Subsidy Program

- 1) CP&P is reimbursed by State and Federal funds for the costs of monthly maintenance and additional services or assistance provided

through the KLG subsidy. Under Federal Title IV-E Kinship Guardianship Assistance, CP&P can claim 50% Federal financial participation (FFP) for monthly maintenance for children determined Title IV-E Kinship Guardianship Assistance eligible living in kinship legal guardianship homes. Up to \$2,000 per child can also be claimed for payment of preapproved, non-recurring expenses necessary to obtain kinship legal guardianship.

- 2) Children receiving KLG payments are categorically eligible for Medicaid in New Jersey. The New Jersey Medicaid program provides payment for medical coverage for children with a KLG subsidy in accordance with New Jersey Medicaid rules and guidelines. (Note: The family uses the family's privately held insurance, if available, prior to accessing Medicaid.)
- 3) If the KLG caregiver moves out of state, CP&P continues to pay the subsidy. The KLG caregiver will need to apply to the other State's Medical Assistance Program for Medicaid. As Medicaid is based on income, the child may or may not be eligible for Medicaid in the other State. The child continues to be eligible for New Jersey Medicaid.
- 4) Federal subsidy funds are reimbursed to New Jersey on behalf of children in the care of kin caregivers, who have been awarded kinship legal guardianship and meet Federal Kinship Guardianship Assistance requirements.

B) Eligibility Requirements for CP&P KLG Subsidy Program

- 1) A child is eligible for the CP&P KLG Subsidy Program when all of the following requirements are met:
 - i. CP&P has legal authority, places the child with the kin caregiver, and makes reasonable efforts to reunify the child and birth parents, pursuant to N.J.S.A. 30:4C-11.1b.
 - ii. CP&P determines that the child cannot be returned safely to his or her birth parents and the kinship provider is licensed as a Resource Family Parent. If the home is not licensed for at least six (6) consecutive months, CP&P will not be able to claim for Federal reimbursement. Exceptions may be granted with the approval of the Area Director and the Deputy Director of Adoption Operations, Office of Resource Families and Office of Resource Family Licensing or designee.
 1. Note: To facilitate eligibility for the KLG subsidy, the names that appear as primary or secondary caregivers on the CP&P [Form 5-2](#), Resource Family Parent Home

Study/Licensing Application, must be consistent with the names on the kinship legal guardianship court order.

- iii. The child resided with the kin caregiver for at least the last six (6) consecutive months or nine (9) of the last 15 months, six (6) of which have been licensed.
- iv. The kin caregiver has obtained court ordered kinship legal guardianship pursuant to the Kinship Legal Guardianship Act, N.J.S.A. 3B:12A-1-6. See [CP&P-IV-D-2-100](#).

C) Federal Criteria for Reimbursement

1) Child Criteria

- i. In order for CP&P to receive reimbursement under Title IV-E, the child must qualify for Federal Title IV-E Kinship Guardianship Assistance. The child must meet all the criteria listed below, including that he or she:
 - 1. Was removed from his or her birth home pursuant to a voluntary placement agreement or as the result of a judicial determination that continuation in the birth home would be contrary to his or her welfare (Note: Effective May 2, 2005, CP&P stopped recognizing parental consent as authority to place a child in resource family care.); and
 - 2. Was eligible for Title IV-E Foster Care maintenance payments while residing for at least six (6) consecutive months in the home of the kin caregiver, who was fully licensed for six (6) months as a CP&P resource home.

2) CP&P determined:

- i. That return home is not an appropriate permanency option for the child;
- ii. That the child demonstrates a strong attachment to the kin caregiver;
- iii. The kin caregiver has a strong commitment for caring permanently for the child; and
- iv. The child, if 14 years of age or older, was consulted about the kinship guardianship arrangement; or
- v. The child has been placed with a successor guardian named in the guardianship agreement or an amendment thereto.

3) CP&P assured that the child, if age six (6) or older:

- i. Is a full time elementary or secondary school student; or
- ii. Is incapable of attending school due to a documented medical condition.

4) Kin Caregiver Criteria

- i. For reimbursement under the Federal Title IV-E Kinship Guardianship Assistance Program, the kin caregiver must also meet specific criteria, including:
 1. Being a resource home that meets State licensing standards (the home must be licensed for a minimum of six (6) consecutive months);
 2. Having CP&P conduct a Criminal History Record Information (CHRI) check on the kin caregiver, and Child Abuse Record Information (CARI) checks on the kin caregiver and all adult members of the household (Note: As part of its assessment to support the plan for KLG, the CP&P Worker must complete CARI and CHRI checks on the prospective kinship legal guardian and all adult members of the household within ninety (90) days prior to the KLG court order being awarded. Fingerprint results from a fingerprint-based criminal record inquiry for the prospective kinship legal guardian and all adult household members must be current, within one (1) year of the date of the KLG court order. Preference is for archiving so the family does not have to take new prints, but if this cannot be accomplished, new prints must be taken. See [CP&P-IV-D-2-300](#); and
 3. Being awarded kinship legal guardianship of the child by the court.
 4. See [CP&P-IV-F-1-100](#), Title IV-E Foster Care, Kinship Guardianship, and Adoption Assistance, and CP&P [Form 10-5](#) KLG, Title IV-E KLG Assistance Eligibility Determination.

D) Compulsory Education Requirement

- 1) All children receiving a KLG subsidy must meet compulsory education requirements. The kinship legal guardian must agree to enroll the child in elementary or secondary school, in accordance with State law governing compulsory education, and to assure the child is attending school. The following parameters apply:
 - i. The compulsory age for education in New Jersey is age six (6) to 16;
 - ii. Enrollment shall be on a full-time basis;

- iii. The school curriculum can include an independent study program, in accordance with State education law, administered by the local school or school district.
- 2) If the child is incapable of attending school on a full-time basis due to a medical condition, the child's incapacity is verified by a doctor's note/medical report which is filed in the child's case record and documented in the child's case plan.
- 3) Verification of the child's medical condition that prevents him or her from attending school full-time is required each year.
- 4) The kinship legal guardian's agreement is documented by his or her signing the KLG subsidy agreement **before** the KLG finalization court hearing, the CP&P [Form 4-8](#), CP&P Kinship Legal Guardianship (KLG) Subsidy Agreement, which contains a certification that the child is enrolled in school.
- 5) Note: Pursuant to the Federal Fostering Connections to Success and Increasing Adoptions Act of 2008 (FCSIAA), the child must meet compulsory education requirements to qualify for reimbursement under the Federal Title IV-E Kinship Guardianship Assistance Program.

E) Placing Siblings Together

- 1) Siblings who need to be placed out of home to assure their safety should be placed together. If the siblings cannot be placed together, the CP&P Worker facilitates visitation or ongoing contacts between the children, unless it is contrary to the safety or well-being of any of the siblings.
- 2) The Division may make kinship guardianship assistance payments on behalf of siblings of an eligible child who are placed together with the same kinship legal guardian under the same kinship guardianship arrangement when the kinship legal guardian and the Division agree on the appropriateness of the arrangement for the siblings. The siblings do not have to be placed simultaneously.
- 3) The sibling of a child who is eligible for Title IV-E Kinship Guardianship Assistance payments is automatically Title IV-E eligible upon placement in the same home. If siblings are placed in the same kinship legal guardianship home, the kinship legal guardian may receive up to \$2,000 per child in reimbursement for preapproved non-recurring expenses associated with obtaining kinship legal guardianship.

F) Child's Parent Residing in KLG Caregiver's Home Precludes Eligibility

- 1) KLG subsidy payments cannot be made (may be suspended or terminated) when the child's birth parent also resides in the KLG

caregiver's home. The KLG caregiver is advised of this requirement, in writing, upon signing the subsidy agreement, CP&P [Form 4-8](#).

- 2) Any exception to this rule requires the approval of the Area Director. Staff may seek an exception only when the parent is dependent upon the KLG caregiver, such as when the parent is:
 - i. A minor, and keeping the child and parent together is part of the case plan; or
 - ii. Developmentally challenged, or suffers from a chronic medical or social condition and not capable of residing independently.
 - iii. See N.J.A.C. 10:132A-1.7(a)4, (KLG) Program Standards.
- 3) Complete an interoffice memorandum for an exception. Submit the memorandum through the local chain of command to the Area Director for approval.
- 4) The KLG caregiver is required to advise the Division if, subsequent to being granted KLG, the birth parent requests to reside in his or her home. See Annual Compliance Review Regarding Eligibility, and Termination or Suspension of Subsidy.

G) Case Plan Documentation when KLG is Child's Permanency Placement

- 1) If the child's permanency plan is placement with a kin caregiver, with subsequent kinship legal guardianship, supported by a KLG subsidy, the following considerations must be documented in the child's case plan, CP&P [Form 26-81](#), Case Plan Assessment. Complete the form in the NJS Case Plan Window. Document:
 - i. Steps taken to determine that it is not appropriate for the child to be returned home;
 - ii. Reasons for any separation of siblings during placement, what visits or contacts the children will have with each other and potentially their birth parents. To be documented in CP&P [Form 4-5B](#);
 - iii. Reasons why a permanent placement with the kin caregiver is in the child's best interest;
 - iv. Ways in which the child meets the eligibility requirements for kinship legal guardianship assistance;
 - v. Efforts made by the Division to discuss the kinship guardianship assistance arrangement with the child's parent(s), or the reasons why efforts were not made;
 - vi. The level of attachment between the child and the kin caregiver, and the strength of the commitment of the kin caregiver to care permanently for the child; and

- vii. For children 14 years of age or older, document that discussions were held with the child about the KLG arrangement, and his or her feelings about the KLG arrangement.

H) Other Documentation

- 1) Document KLG planning and the considerations noted above on:
 - i. The Contact Activity Notes Window in NJS, printable as [CP&P Form 26-52](#), Contact Sheet; and
 - ii. CP&P [Form 4-5](#), Kinship Legal Guardianship Assessment, which is attached to the legal notice filed for kinship legal guardianship.
 - iii. See [CP&P-IV-A-11-100](#), Making the Resource Placement Decision - Adoption and KLG, and [CP&P-IV-D-2-300](#), Processing the KLG Assessment and Changes to the KLG Court Order.

I) Benefits Provided through CP&P KLG Subsidy Program

- 1) The following KLG Subsidy Program benefits are effective the date kinship legal guardianship is awarded by the court:
 - i. A monthly board payment (not to exceed the resource family care rate), and clothing allowance;
 - ii. Medical coverage for the child's medical and surgical costs through New Jersey Medicaid in accordance with New Jersey Medicaid rules and guidelines.
 - iii. Payment, of up to \$2,000 per child, for preapproved, non-recurring expenses associated with obtaining kinship legal guardianship; and
 - iv. Additional services and assistance, upon the kinship legal guardian's request, including KIN-KONNECT Information and Referral Clearinghouse, counseling referrals, and Flexible Funds (contingent on the availability of State funds; see [CP&P-IX-F-1-300](#), Local Office Bank Account (LOBA), [CP&P-IX-F-1-400](#), The Flexible Fund).
 - v. Note: The child may also be eligible for education vouchers through the John Chafee Foster Care Independence Program; see [CP&P-VI-B-1-300](#).
- 2) While not provided by the KLG subsidy, the kinship legal guardian may:
 - i. Claim OASDI or SSI benefits on behalf of the child for whom he or she has obtained kinship legal guardianship; and/or
 - ii. Be eligible for Federal tax credits.
 - iii. [CP&P-IV-C-1-1100](#), NJ and Federal Benefit Programs and Federal Taxes, [CP&P-IX-F-1-250](#), Federal Benefits, and [CP&P-III-C-2-400](#)

Supplemental Security Income. Refer the kinship legal guardian to the following Federal web sites for additional information:

1. www.ssa.gov; and
2. www.irs.gov

J) KLG Rate

The rate paid in subsidy is the mutually agreed upon rate based on the level of care in the current Level of Care Rate Table that is set with the kin caregiver during the rate assessment. See CP&P [Form 5-8](#), Resource Family Rate Assessment, and the Rate Setting Window in NJS.

K) KLG Subsidy Cannot Exceed Resource Care Board Rate

A kinship legal guardianship subsidy payment on behalf of a child cannot exceed the resource care maintenance payment which would have been paid on behalf of the child if the child had remained in resource family care. Prior to application for KLG subsidy, ensure that the child is receiving the appropriate board rate based on rate assessment and rate table. Ensure that the resource home service categories include current age of the child and all appropriate future age categories until the age of majority.

L) Increase in Subsidy Rates for Cost of Living and Age Categories

The maintenance rate for all children receiving subsidy is increased periodically to reflect cost of living increases approved by the State legislature for resource board, subsidized adoption, and kinship legal guardianship rates

M) Subsidy Provided if Caregiver Moves Out of State

If the kinship legal guardian and the child move out of New Jersey, CP&P continues to pay the KLG subsidy. The KLG caregiver will need to apply to the other State's Medical Assistance Program for Medicaid. As Medicaid is based on income, the child may or may not be eligible for Medicaid in the other State. The child continues to be eligible for New Jersey Medicaid.

N) Office of Adoption Operations Approval Required

- 1) All KLG subsidies must be approved by the Assistant Director of the Office of Adoption Operations, or his or her designee, **before** the kin caregiver signs the subsidy agreement, CP&P [Form 4-8](#), CP&P Kinship Legal Guardianship (KLG) Subsidy Agreement.

O) Subsidy Payments Based on Written Agreement

- 1) KLG assistance payments are only made pursuant to a written KLG assistance agreement between the Division and the kin caregiver, CP&P [Form 4-8](#), CP&P Kinship Legal Guardianship (KLG) Subsidy Agreement. After the agreement is approved and signed by the Assistant Director of the Office of Adoption Operations, or his or her designee, and the kin caregiver, the agreement is a legally binding

document that lists the conditions and terms of the subsidy. The KLG agreement includes:

- i. Whether or not the child is Title IV-E eligible;
- ii. Education assurances required for the child;
- iii. The date on which the agreement is entered and the stipulation that the agreement remains in effect regardless of the kinship legal guardian's state of residency;
- iv. The nature and amount of the payments that will be provided, based on the mutually agreed upon rate set with the kin caregiver during the rate assessment (Note: The KLG subsidy rate may not exceed the foster care board rate for the child);
- v. Additional services and assistance for the child or kinship legal guardian, and the procedures by which the kinship legal guardian may apply for additional services;
- vi. Assurances that up to \$2,000 per child of preapproved, non-recurring expenses associated with obtaining kinship legal guardianship will be reimbursed;
- vii. The rights and responsibilities of the kinship legal guardian under the program;
- viii. The responsibilities of CP&P to the child and kinship legal guardian under the program;
- ix. The conditions that terminate the child's participation in the program; and
- x. Other provisions the Division may require.
- xi. See CP&P [Form 4-8](#).

P) Required Processing

- 1) A KLG agreement is mutually agreed upon and entered into with the kin caregiver. The agreement must be in place with a prospective kinship legal guardian **prior** to the establishment of the legal guardianship by court order. Once the kin caregiver has committed to care for the child and has assumed kinship legal guardianship for the child, CP&P may then pay a subsidy on behalf of the child to the kinship legal guardian.
- 2) The Worker is required to meet with the kin in person, to have an in-depth discussion about adoption and KLG as early as possible prior to, or immediately following, the initial placement of a child in the kin caregiver's home. The purpose of this discussion is to enable the kin to express, as early on as possible, what permanency option is in the best interest of the child and family. The Worker explains the adoption

and KLG subsidies as well as the potential visitation plan 4-5c. See CP&P [Form 4-18](#), Adoption and KLG Comparison Chart, Acknowledgment Receipt, and [CP&P-IV-A-11-100](#), Mandated Full Disclosure.

- 3) If the permanency goal is set as KLG and a legally free child, or a child placed with a non-kin caregiver, obtain the Area Director's approval. Request the Area Director's approval using the Interoffice Memorandum. The Area Director signs the memorandum documenting his or her approval. All reviews must also be thoroughly documented on a contact activity note in NJS.
- 4) After CP&P, the court, and the kin caregiver agree that KLG is the child's goal, and **before** kinship legal guardianship is finalized, the Worker engages the kin caregiver in a discussion of the terms and conditions of the KLG subsidy including, but not limited to:
 - i. A proposed, mutually agreed upon subsidy rate, based on a current rate assessment (use CP&P [Form 5-8](#), Resource Family Rate Assessment, to set the rate with the kin caregiver in the Rate Setting Window in NJS to prepare the rate setting contract);
 - ii. Eligibility for any additional services, and the procedures to request these services (see Benefits Provided through CP&P KLG Subsidy Program);
 - iii. Non-recurring expenses and procedures for their reimbursement (see CP&P [Form 4-23](#), Application for Reimbursement for Non-Recurring Kinship Legal Guardianship (KLG) Expenses); and
 - iv. Other terms and conditions of the KLG Subsidy Program and the KLG subsidy.
- 5) After discussing the KLG subsidy with the kin caregiver, the Worker:
 - i. Prints and completes the CP&P [Form 4-8](#), CP&P Kinship Legal Guardianship (KLG) Subsidy Agreement.
 - ii. Prepares and submits the KLG subsidy request packet to the Assistant Director, Office of Adoption Operations, CC # 966. The packet must include:
 1. The CP&P [Form 4-24](#), Request for KLG Subsidy Approval Memo Checklist, completed and signed by the Supervisor Include a copy of the 4-5c visitation plan in the subsidy folder.
 2. The CP&P [Form 4-25](#), Eligibility Criteria for CP&P KLG Subsidy, completed and signed by the Worker, and reviewed, approved, and signed by his or her Supervisor,

and the assigned Casework Supervisor. Required attachments include copies of the:

- a. Permanency Court Order;
 - b. Resource Family License, indicating the family has been licensed for a minimum of six (6) months;
 - c. Signed and dated Acknowledgement of Receipt of Adoption/KLG Comparison Chart, last page of CP&P [Form 4-18](#);
 - d. The Area Director approval and signature is required for, a legally free child, or a child placed with a non-kin caregiver;
 - e. The Rate Assessment.
- iii. Proposed Subsidy Agreement (unsigned CP&P [Form 4-8](#), CP&P Kinship Legal Guardianship (KLG) Subsidy Agreement).
- 6) The Office of Adoption Operations reviews the subsidy request and notifies the Worker within seven (7) business days of the decision. Once the agreement has been approved and signed by the Assistant Director of Adoption Operations, or his or her designee, the Worker:
- i. Meets with the kin caregiver and has the kin caregiver sign the CP&P [Form 4-8](#), if he or she is in agreement with all of its terms and conditions.
 - ii. Gives a copy of the signed agreement to the kin caregiver.
 - iii. After the court order awarding kinship legal guardianship for the child is issued, confirms that the court order includes:
 1. Specific findings about parental incapacity or inability to care for the child (e.g., substance related disorder, lack of housing, mental illness); and
 2. Includes the visitation plan for the child with siblings and parents: [Form CP&P 4-5c](#).
 - iv. Includes Successor Guardian identification.
 - v. Funding for board (as determined by mutual agreement by the Division and kin caregiver, see KLG Rate, and KLG Subsidy Cannot Exceed Resource Care Board Rate), clothing, and health coverage only.
 - vi. Note: Because additional services are limited, services may be included in the KLG subsidy agreement, but not in the court order.
 - vii. Consults the DAG, if the court order is inadequate or incorrect.
 - viii. Sends a packet to the kinship legal guardian, which includes:

1. A copy of the signed and approved KLG subsidy agreement, CP&P [Form 4-8](#), Kinship Legal Guardianship (KLG) Subsidy Agreement; and
 2. A copy of the final court order.
- ix. Documents in the KLG Subsidy Window in NJS that the agreement was signed.
 - x. Completes CP&P [Form 18-35](#), Child Placement Review Notice of Change, in NJS, to notify the Child Placement Review Board that CP&P supervision is terminated and the permanent plan for the child has been achieved.
 - xi. Completes the CP&P [Form 25-66](#), Notice of Termination of State Responsibility for Tuition and Transportation, and faxes it to the State Responsible Coordinator, DCF Office of Education, at 609-292-8196, if parental rights were terminated prior to KLG being awarded.
 - xii. Updates the Legal Status Window in NJS.
 - xiii. Closes the child's birth family case and opens a KLG case.
 - xiv. Conducts a post KLG Title IV-E kinship legal guardianship assistance determination.
 - xv. Creates a KLG subsidy folder and sends it to the Adoption and Kinship Legal Guardianship Subsidy Unit, Office of Adoption Operations, CC # 966, within thirty (30) calendar days of receiving the KLG order. See CP&P [Form 4-17](#), KLG Folder Requirement Checklist, for required contents.

Q) Effective Date of Subsidy

The KLG subsidy becomes effective the date that Kinship Legal Guardianship is awarded by the court.

R) Annual Compliance Review Regarding Eligibility

- 1) An annual compliance review regarding the child's continued eligibility for the CP&P KLG Subsidy Program is required. In addition, if circumstances change that may affect the child's eligibility for the program, the KLG caregiver is required to notify the Division.
- 2) The CP&P [Form 4-9](#), CP&P Kinship Legal Guardianship Subsidy Program Annual Compliance Review Letter, is sent annually to the KLG caregiver. Within thirty (30) calendar days of the date of the letter, the KLG caregiver must:
 - i. Submit proof that the child continues to reside in the KLG caregiver's home and continues to meet compulsory education requirements (for children ages six (6) -16):

- ii. If the child is over age six (6), proof consists of a signed letter or report card from the child's elementary or secondary school, or, if the child is incapable of attending school due to a medical condition, medical documentation.
 - iii. If the child is under age six (6), proof consists of a signed letter from the child's day care program, school program, or verification of medical care from the child's pediatrician or clinic.
 - iv. If the child is 18 years old or older, proof consists of verification from the child's school of the child's continuing enrollment as a full-time student in high school or other secondary school (not college), and his or her projected graduation date. See CP&P [Form 14-217](#), Adoption and KLG Subsidy Letter for Children Turning 18, and CP&P [Form 14-218](#), Annual Verification of Child's School Attendance - Adoption or KLG Subsidy Letter.
- 3) Indicate on the CP&P [Form 4-9](#) that the child's birth parent is not residing in the home, unless an exception has been previously granted by the Area Director.
 - 4) Note: If CP&P receives notification that a parent is residing in the home, a referral must be made to the State Central Registry (SCR) for a child welfare service assessment. SCR assigns the referral to the appropriate Local Office.
 - 5) Complete, sign, and return CP&P [Form 4-9](#) to the Office of Adoption Operations.
 - 6) When there is a change in circumstances, the Adoption and Kinship Legal Guardianship Subsidy Unit may complete a compliance review by sending CP&P [Form 4-9](#) to the KLG caregiver, or initiating a child welfare service referral through SCR, to request staff from the appropriate Local Office make a home visit to assess the child's current circumstances.

S) Termination or Suspension of Subsidy

- 1) The child's participation in the CP&P Kinship Legal Guardianship Subsidy Program is terminated when:
 - i. The child reaches age 18 and is not eligible for an exception to continue subsidy to age 21. Under no circumstances shall benefits continue beyond age 21. See CP&P [Form 14-217](#) and [Form 14-218](#). See Annual Compliance Review Regarding Eligibility.
 - ii. The kinship legal guardian is no longer legally responsible for financially supporting the child. This includes when:

1. The child becomes an emancipated minor, marries or enlists in the military;
 2. All KLG caregivers approved for the program are deceased; or
 3. The court vacates the kinship legal guardianship order.
- iii. The kinship legal guardian is not providing any support for the child. This includes a child who no longer lives with the KLG caregiver (see exception for out-of-home treatment program, below). Support may include monies for the care of the child, but it may also cover costs for services, visitation, etc.
- 2) If the kinship legal guardian signs an adoption agreement or adopts the child, the child is no longer eligible for a KLG subsidy but may be eligible for an adoption subsidy. See [CP&P-IV-C-8-100](#), Adoption Subsidy.
 - 3) The KLG subsidy payments may be suspended or terminated if the child's birth parent is living with the kinship legal guardian. Any exception, such as the parent being a dependent minor or developmentally challenged, not capable of residing independently, requires Area Director approval.
 - 4) The kinship legal guardian must inform CP&P of any circumstances which would make him or her ineligible for KLG subsidy payments or eligible for KLG subsidy payments in a different amount (e.g., child in out-of-home treatment program).
 - 5) The subsidy is suspended if the kinship legal guardian has not returned the annual compliance review form, CP&P [Form 4-9](#), has not verified the child's enrollment in school or inability to attend due to a documented medical condition/disability, and/or failed to provide the required documentation that the child continues to reside with, and is supported by, the kinship legal guardian.
 - 6) The Worker or the Adoption and Kinship Legal Guardianship Subsidy Unit uses CP&P [Form 4-22](#), Notification of Modification, Suspension, or Termination of a Kinship Legal Guardianship (KLG) Subsidy, to inform the kinship legal guardian, in writing, of the termination or suspension of the subsidy, the reasons for the action, and of his or her right to request dispute resolution. See N.J.A.C. 10:120A, Dispute Resolution.

T) Exception to Termination of Subsidy for Out-of-Home Treatment Programs

- 1) In accordance with N.J.A.C. 10:132A-2.1(c), when a child is placed in a residential treatment program, his or her KLG caregiver is eligible to

receive \$250 per month (as a support service) on the child's behalf, for up to twelve (12) months from the date of placement, when:

- i. The KLG caregiver is participating in the child's treatment; and
 - ii. The plan is for the child to return to the KLG caregiver's home.
- 2) If the child's placement in the treatment program exceeds one (1) year, the KLG order remains in effect but the KLG subsidy and all CP&P monies are discontinued until the child returns to the KLG caregiver's home. The amount of the subsidy the KLG caregiver receives when the child returns to the home reverts back to the initial payment schedule.

U) Dispute Resolution

- 1) The KLG caregiver, on his or her own behalf or on behalf of the child, may request dispute resolution if his or her application for kinship legal guardianship subsidy assistance is not acted upon with reasonable promptness in accordance with Division policy and NJ Administrative Code, or if the child's KLG subsidy is modified, suspended, or terminated. See N.J.A.C. 10:120A, Dispute Resolution.
- 2) Use CP&P [Form 4-22](#), Notification of Modification, Suspension, or Termination of a Kinship Legal Guardianship Subsidy, to notify the KLG caregiver of adverse actions (modification, suspension, or termination) regarding the child's KLG subsidy, and to advise the KLG caregiver of his or her right to dispute the Division's actions.

V) NJ and Federal Benefit Programs and Federal Taxes

- 1) Share the information found below with kinship legal guardians to facilitate their application to NJ or Federal benefit programs on behalf of the children for whom they obtained kinship legal guardianship.
- 2) Social Security Administration (SSA) Title II, Old Age, Survivors, and Disability Insurance (OASDI/RSDHI) Benefits:
 - i. Benefits from Birth Parent(s): If a child is eligible for OASDI benefits because of his or her birth parent(s)'s coverage, the kinship legal guardian is authorized to apply for these benefits after the KLG court order is granted.
- 3) Advise the kinship legal guardian of benefits for which CP&P is the representative payee. If the child has a trust fund set up by CP&P because his or her benefits exceeded board payments made for the child's care, return these funds to the Social Security Administration (SSA). The kinship legal guardian can apply for the funds as a lump sum payment for his or her child.

- 4) The kinship legal guardian applies for the OASDI benefits at the local SSA office. Assist the kinship legal guardian by obtaining the birth parent(s)'s Social Security number from CP&P records and provide it to SSA. If needed, assist the kinship legal guardian in obtaining the birth parent's death certificate. See [CP&P-III-C-6-100](#) When To Obtain Specific Certified Long Form Documents, and Obtaining NJ State, Local, and Out-of-State BVS Certificates and Other Sources for Verification.
 - i. Benefits from Kinship Legal Guardian: If the kinship legal guardian is a grandparent and receives or will receive OASDI benefits for him or herself, he or she may also be eligible to receive these benefits for the child for whom he or she obtained kinship legal guardianship. See [www.ssa.gov](#) for specific requirements.
 - ii. See [CP&P-IX-F-1-250](#), Federal Benefits, for more information on OASDI/RSDHI benefits.
- 5) SSA Title XVI, Supplemental Security Income (SSI) Benefits and Title IV-E
 - i. Applying for SSI: If a child has a significant medical or psychosocial disability, apply for SSI benefits on behalf of the child prior to the finalization of kinship legal guardianship.
- 6) Once the KLG is granted, if the child is eligible for SSI, the kinship legal guardian is authorized to apply to be named representative payee for the benefits. SSI provides a monthly maintenance payment and Medicaid coverage.
- 7) Advise the kinship legal guardian of the child's SSI benefits, and encourage him or her to apply for these benefits through the local SSA.
- 8) See [CP&P-IX-F-1-250](#), Federal Benefits, for more information on Federal government benefits and [CP&P-III-C-2-400](#), Supplemental Security Income, for more details on SSI.
 - i. Out-of-State Medicaid Coverage: If a child qualifies for SSI before KLG is granted, he or she becomes Title IV-E eligible. If the family lives or moves out of state, the child continues to be eligible for Medicaid.
- 9) Federal Income Tax Provisions
 - i. While there is no KLG Federal tax credit similar to the adoption Federal tax credit, the kinship legal guardian may be eligible for other Federal tax credits (e.g., Child Credit). Advise the kinship legal guardian to consult the Internal Revenue Service for questions regarding:

1. Federal tax credits;
2. The dependent /exemption status of the child for whom kinship legal guardianship has been obtained; and
3. The KLG subsidy as non-taxable income.
4. See www.irs.gov.

W) No Placement Reviews Required

- 1) Placement reviews are not required for a child receiving benefits from the CP&P KLG Subsidy Program. Permanency has been achieved. The child is no longer considered to be in placement through CP&P. The CP&P case is closed, and a KLG case is opened to monitor subsidy payments and continued eligibility.

Forms and Attachments:

- CP&P [Form 4-5](#), Kinship Legal Guardianship Assessment
- CP&P [Form 4-5a](#), Certification of Completed Background Checks for Kinship Legal Guardianship
- CP&P [Form 4-8](#), CP&P Kinship Legal Guardianship (KLG) Subsidy Agreement
- CP&P [Form 4-9](#), CP&P Kinship Legal Guardianship Subsidy Program Annual Compliance Review Letter
- CP&P [Form 5-8a](#), Resource Family Rate Agreement
- CP&P [Form 4-17](#), KLG Folder Requirement Checklist
- CP&P [Form 4-18](#), Adoption and KLG Comparison Chart, Acknowledgment Receipt
- CP&P [Form 4-22](#), Notification of Modification, Suspension, or Termination of a Kinship Legal Guardianship (KLG) Subsidy
- CP&P [Form 4-23](#), Application for Reimbursement for Non-Recurring Kinship Legal Guardianship (KLG) Expenses
- CP&P [Form 4-24](#), Request for KLG Subsidy Approval Memo Checklist
- CP&P [Form 4-25](#), Eligibility Criteria for CP&P KLG Subsidy
- CP&P [Form 5-8](#), Resource Family Rate Assessment
- CP&P [Form 10-5](#) KLG, Title IV-E KLG Assistance Eligibility Determination
- CP&P [Form 14-217](#), Adoption and KLG Subsidy Letter for Children Turning 18
- CP&P [Form 14-218](#), Annual Verification of Child's School Attendance - Adoption or KLG Subsidy Letter
- CP&P [Form 16-76](#), Special Approval Request

- CP&P [Form 18-35](#), Child Placement Review Notice of Change
- CP&P [Form 25-66](#), Notice of Termination of State Responsibility for Tuition and Transportation
- CP&P [Form 26-52](#), Contact Sheet
- CP&P [Form 26-81](#), Case Plan Assessment

Policy History:

- 10-04-2021
- 8-1-2020
- 10-12-2016
- 3-11-2013
- 2-11-2013
- 9-20-2010
- 7-12-2010
- 4-05-2010
- 9-08-2009
- 5-01-2009