Tennessee Child Care Certificate Program

Income Eligibility Limits and Parent Co-Pay Fees Effective October 1, 2025

Parents and guardians who participate in the Tennessee Child Care Payment Assistance Program, also known as the Child Care Certificate Program may be required to contribute towards their child care expenses. This contribution is as a weekly co-pay that each parent or guardian pays directly to their child care provider. Besides the co-pay, the parent/guardian could be responsible for additional costs such as late pickup fees, mat fees, field trips, activity fees, supply fees, and other specific charges set by the child care provider.

There may be additional fees for the parent or guardian, if the amount the provider charges is more than the state pays the provider. This would be called an overage or cost difference and will be paid directly by the parent or guardian to the provider. The difference should be clearly communicated by the provider and documented in writing when the child is enrolled.

The co-pay is determined by calculating 5% of the total countable monthly gross household income, then dividing that figure by 4.3 to establish a weekly payment. This amount is then divided equally among all eligible children in the family. If the calculated co-pay includes cents, it is rounded down to the nearest whole dollar.

For school-age children, co-pay rates are adjusted at the start of summer and the school year to accurately reflect the required full or part-time payment based on the child's care schedule. School-age children are identified as those between 5-13 years old, or 13-17 years old with special needs.

Eligibility for the program is determined based on a family's income compared to the State Median Income (SMI) for Tennessee; families must have a countable monthly gross household income below 85% of the SMI to qualify.

The provided chart helps families identify their household size and monthly income to determine their potential co-pay or program eligibility. For example, a family of four, two employed parents and two children, earning $3,900 per month qualifies for assistance with the following example $3,900 X 0.05=$195.00 /4.3=$45.35 rounded down to $45/2 children =$22.50 per week per child.

Assess the amount of the copay by determining the gross monthly income according to family size. Use the chart below as follows:

1. Begin by identifying the number of individuals in your household used in determining eligibility and move down to that number within the column labeled household size.
2. Move from the column for household size and over to the row with the amount of the family gross monthly income.
    a. If your income is less than the 85th percentile (SMI), you would be income eligible for services.
    b. If your income falls below the 85th percentile (SMI), your copay will be 5% of your gross monthly income.
3. Effective October 1, 2025, families actively receiving Smart Steps may qualify for Smart Steps Plus at time of redetermination if a new spouse is added and/or gross monthly income is between the 86th to 100th percentile of State Median Income (SMI). Your copay will be 5% of your gross monthly income.

Department of Human Services

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Household Size	Monthly Income Eligibility Limits		
	60th Percentile (SMI)	85th Percentile (SMI)	100th Percentile (SMI)**
2	$0 to $3,492	$3,493 to $4,948	$4,949 to $5,821
3	$0 to $4,314	$4,315 to $6,112	$6,113 to $7,191
4	$0 to $5,136	$5,137 to $7,277	$7,278 to $7,277
5	$0 to $5,958	$5,959 to $8,441	$5,959 to $8,441
6	$0 to $6,780	$6,781 to $9,605	$6,781 to $9,605
7	$0 to $6,934	$6,935 to $9,824	$6,935 to $9,824
8	$0 to $7,088	$7,089 to $10,042	$7,089 to $10,042
9	$0 to $7,242	$7,243 to $10,260	$7,243 to $10,260
10	$0 to $7,396	$7,397 to $10,478	$7,397 to $10,478
11	$0 to $7,551	$7,552 to $10,697	$7,552 to $10,697
12	$0 to $7,705	$7,706 to $10,915	$7,706 to $10,915
Co-Pay Fee	*5% of income		

*Weekly Parent Co-Pay Fee = monthly countable income x .05 (5%), divided by 4.3, rounded down to whole dollar amount. Resulting co-pay fee will be evenly divided among all children in care.

Example: $1895 X 0.05=$94.75 rounded down to $94 /4.3=21.86 rounded down to $21/2 children =$10.50

**Effective October 1, 2025, families actively receiving Smart Steps may potentially qualify for Smart Steps Plus at time of redetermination if adding a new spouse and/or income is between the 86th to 100th percentile of State Median Income (SMI)

Income ranges are determined as follows:

State Median Income (SMI) Monthly figures for FY 2026.

Based on FFY 2026 100% SMI Estimates and guidelines issued by the National Center on Subsidy Innovation and Accountability