

B Annualizing Self-Employment

REVISION 45
(01/01/17 - 12/31/17)

When the self-employment business has been in existence for 12 or more months and there are no significant changes, divide the annual income by 12 to calculate a monthly amount.

NOTE Annualize the income even when the participant's self-employment is from two or more sources.

EXCEPTION

Self-employment income due to farming has special budgeting procedures. (See [Farming](#)).

When determining a monthly amount, use the 12 full months of income that applies as follows:

- For new applications, use the 12 full months prior to the month of application.
- For renewal applications, use the 12 full months prior to the month of the timely renewal interview.
- For reported changes, use the 12 full months prior to the month the change was reported.

EXCEPTION

When the reported change is a change in income, do not use the 12 full months prior to the month the change was reported.

When the self-employment business has been in existence for 12 or more months and the past 12 months are not a true reflection due to an unusual increase or decrease, project the self-employment income and expenses as follows:

- Drop unusual months of income.
- Key the normal months of income and expenses on the SEEW Screen.
- Key the total number of normal months in the AF or FS field.