

## C Anticipating Self Employment

**REVISION 38**  
(10/01/15 – 11/30/15)

Anticipate self employment income when the averaged amount does not accurately reflect the monthly circumstances, due to any of the following:

- Unpredictable self employment income that may be received less often than monthly. This income may not represent the participant's annual income.
- Self employment income expected to be received from a new business source.
- An increase or decrease in business and the averaged amount does not accurately reflect the actual monthly circumstances.
- Self employment income expected to be received from a terminated business source. (See [Terminated Self Employment](#))

**NOTE** When an unusual change in circumstances causes the self employment to temporarily stop without knowing when it will resume, the self employment income should not be budgeted. (See Example [Unusual Change](#))

Complete the following to determine self employment income that is budgeted on SEEI on an anticipated basis:

- Add the amount of [capital gains](#) the participant expects to receive in the next 12 months together, starting from the date of application, and divide the amount by 12. Use this monthly amount at consecutive renewal periods for the next 12 months. Redetermine a new monthly amount when the anticipated amount of capital gains changes.
- Add the monthly capital gains amount to the self employment income anticipated for the month. Use this total as the monthly gross income on SEEI and SEEW.
- When expenses are anticipated for the month complete the following:

For CA and NA, key Y in the EXP field on SEEI to allow the 40% [self employment deduction](#) when at least one allowable self employment expense is verified.

**EXCEPTION**

Self employment income due to farming uses actual expenses and has special budgeting procedures. (See [Farming](#))**Error!**  
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