

**.01 Budgeting Contract Income Prorated Over a 12-Month Period**

**REVISION 26**  
(07/01/13 – 10/31/09)

Prorate contract income over a 12-month period when it is intended for the participant's annual income. This includes contracts that cover period of time less than 12 months.

Prorate contract income over a 12-month period when one or more of the following apply:

- The contract covers a 12-month period.
- The participant is paid once every 12 months.
- The participant is guaranteed to receive the full amount listed in the contract regardless of any of the following:
  - Number of hours worked
  - Frequency of pay
  - Amount of work that was completed

For CA and NA, key the following on **EAIC**:

- The OA or OF Earned Income Code in the INC TYPE field.
- The AN Frequency code in the FREQ field.
- The gross income specified in the contract in the GROSS AMOUNT field.

(See Example [Budgeting Contract Income 1](#))

**NOTE** Budget the prorated income for the 12-month period unless the contract employment has been terminated.

Documentation must support the contract income budgeted.