

B Projecting Income



This section includes the budgeting process of using the recent income to determine the ongoing budget because little has changed.

Policy

FAA primarily predicts future income by using a participant's recently received income to determine the income reasonably certain to be received during an approval period.

NOTE When the income is received or known in a [budget month\(g\)](#), FAA budgets the income to determine the benefits for that month.

FAA requests, verifies, and reviews the income received in a 30-day income period with a participant, often called an [income request period\(g\)](#).

FAA requests more than 30 calendar days of income when the application and interview dates are in different months, including **all** of the following:

- For the pay dates in the application month.
- For the pay dates, which the participant already receives during the month of the interview.

When the application and interview are in the same budget month, and a participant receives all the income for that month, the budget month is the income request period.

To project income, FAA only requests the verification of the participant's pay already received.

FAA uses **one or more** of the following income budgets to project the income reasonably certain to be received during an approval period:

- A budget to include all a participant's income received in an income request period.
- A budget to include all a participant's income received when a participant has already received pay for each pay date in the budget month.
- A budget for ongoing months consisting of all income representing the income reasonably certain to continue.
- When a new application and interview are in different months, **all** of the following apply:

For the application month, a budget includes all of the income received in the application month.

FAA uses a new 30-day income period for the budget to project ongoing income for ongoing months.

NOTE When a new application and the interview are in different months, FAA requests verification of more than 30 calendar days of income.

- When a 30-day income period includes [high or low paychecks\(g\)](#), ***all of the following apply:***

[FAA](#) includes any high or low paychecks for the budget month the high or low paycheck is received.

When a high or low paycheck is a normal part of what the participant reasonably expects to continue, the high or low paycheck is included in the budget to project ongoing income.

When the high or low paycheck is not expected to continue, the high or low paycheck is not included in the budget to project ongoing income.

NOTE When paid semi-monthly, FAA does not use projecting income budgeting when one or more paycheck is high or low and not expected to continue. See [Anticipating Income](#) for budgeting future income based on verified information.

- When [zero pay periods\(g\)](#) are in a 30-day income period, ***all of the following apply:***

FAA includes zero pay in the budget month that the participant receives a zero pay period.

When a zero pay period is a normal part of what the participant reasonably expects to continue, the zero pay period is included in the budget to project ongoing income.

When the zero pay is not expected to continue, the zero pay period is not included in the budget to project ongoing income.

NOTE When paid semi-monthly, FAA does not use projecting income budgeting when one or more pay periods have zero pay that is not going to continue.

FAA does not project income when recently received pay is not an indicator of ongoing income. See [Anticipating Income](#) when ***any*** of the following applies:

- One or more semi-monthly checks do not represent the participant's ongoing income.
- The participant reports an increase or decrease in pay rate and hours worked.
- No recent paychecks in the 30-day income period are normal and expected to continue.
- When income received in the 30-day income period is not representative of the income expected to continue.

NOTE When income is received from a contract or self-employment, see [Averaging Income](#).

FAA uses other budgeting methods for income types such as day labor, odd jobs, self-employment, and contract income. See [Actual Income](#) and [Averaging Income](#) for more information.

Procedures

When the participant is present, have them sign the Authority to Release (FAA-1765A) form to contact any companies or businesses involved. The FAA-1765A can be faxed or emailed to the participant's employer when it is not possible to use the Application for Benefits (FAA-0001A) or the HEAplus Authority to Release signed statement.

Before Determining the Budget

Review system interface and the [case file\(g\)](#) for income information already available.

Determine the income type and review the policy and procedures listed under that type. (See [Income Types](#) for a list of income types. When an earned income type other than [self-employment\(g\)](#) is not listed, see wages and salaries.)

Discuss with the participant the facts about their income. This may include, and is not limited to, **any** of following questions:

- How often is the participant paid?
- The hours the participant is expected to work each pay period.
- What is the rate of pay?
- Is there any differential pay?
- Is there overtime expected to continue, how much, and how often?
- Are bonuses or incentive pay received, and how often?
- Does the participant receive tips and gratuities not listed on the paycheck stubs?
- What is the income the participant reasonably expected to receive?

When paycheck stubs are provided, review all the payments received for each pay date in the [income request period\(g\)](#) completing **any** of the following:

- Confirm the participant's name on the paycheck stub.
- Review the pay periods to establish pay frequency to convert to a monthly amount. Pay periods dates typically indicate the pay frequency, such as **any** of the following:

Seven-day periods are generally paid weekly

14-day pay periods are generally paid bi-weekly

More or less than a 14-day pay period generally are paid semi-monthly

NOTE When determining a pay frequency, the participant does not have to be paid on the same day of the week.

- Review all paycheck stubs for income types other than wages and salary.

See **any** of the following types of income when that income type is included in a participant's paycheck stub to determine an income budget:

- [Wage and Salaries](#) for information about Wage Advances and Cafeteria Plans
- [Bonuses and Incentives](#)
- [Flex Credits](#)
- [Leave Pay](#)
- [Employer Reimbursements](#)
- [Tips and Gratuities](#)
- [Wages Paid on Commission](#)

Determine whether any income types other than wages and salary are going to continue, and complete **one** of the following as needed:

- Project an income type that is reasonably expected to continue.
- When an income frequency can be reasonably expected, convert the income to a monthly amount.
- Include the income type in the [budget month\(g\)](#) received.
- When the income type is not reasonably expected to continue, remove the income type for ongoing months.

Projecting Income Procedures

When determining a budget using projected income, see **one or more** of the following for each budgeting month based on a discussion with the participant and the verified income:

- [Projecting a 30-day Income Period](#)
- [Projecting a Full Month of Income](#)
- [Projecting with High or Low Paychecks](#)
- [Projecting with Zero Pay Periods](#)

Documentation of Budgeting

Documentation must support determinations of eligibility and benefit level. Document using sufficient detail to ensure that any reviewer can identify whether the budgeting is reasonable and accurate. Include specific information regarding the established and expected range of income and hours. (See [Income Documentation Requirements](#))

Verification

System interface and the [case file\(g\)](#) must be reviewed before verification is requested. No additional verification is needed when AZTECS interface or HEAplus hubs have verified the information.

The participant has the primary responsibility for providing verification. (See [Participant Responsibilities – Providing Verification](#) for additional policy.)

For NA, **all** of the following income is required to be verified before eligibility is determined:

- Reported on a new application, during the interview of a new application, or changes reported before the eligibility determination of a new application.
- Changes after an eligibility determination of a new application (e.g., a renewal application, mid approval contact, etc.) and **any** of the following apply:

The source of the income has changed.

The income is [questionable\(g\)](#) or [unclear\(g\)](#).

The reported income amount has changed by \$51 or more.

The previous verification in the case file is more than 59 calendar days old.

For CA, all income is required to be verified before determining eligibility.

See [Income Types](#) for examples of verification that can be used.

AZTECS Keying Procedures

See **one or more** of the following for each budgeting month:

- [Projecting a 30-day Income Period](#)
 - [Projecting a Full Month of Income](#)
 - [Projecting with High or Low Paychecks](#)
 - [Projecting with Zero Pay Periods](#)
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Legal Authorities

AAC R6-12-508 (A-B)(1-2)

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[Prior Policy](#)

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