

.03 Procedure: Anticipating Semi-Monthly Income



This section provides information about procedures for budgeting semi-monthly income when projecting income is not an option.

Procedures

Income received or expected to be received twice a month is considered semi-monthly.

NOTE Semi-monthly and bi-weekly income are not the same and have different conversion factors. Semi-monthly pay periods are generally the same dates of the month (e.g., the 1st and the 15th, the 5th and the 20th, etc.). However, bi-weekly pay periods are generally the same day of the week (every other Friday, every other Monday, etc.). (See [Income Budgeting Frequency Codes](#) for more information about bi-weekly pay.)

When the participant identifies that both of the last two consecutive semi-monthly paychecks in the budgeting income period are normal, project the semi-monthly income by using both checks in the budget. (See [Projecting a 30-day Income Period](#) for budgeting instructions.) (See [Example 1](#))

Semi-monthly income must be manually calculated when **one** of the following applies:

- At the start of a new source of income.
- One or more paychecks in the 30-day income period do not represent the participant's ongoing income.

Semi-monthly pay periods may contain more than two calendar weeks of work hours. When only weekly anticipated hours are known, anticipate the semi-monthly income by completing **all** of the following:

- Determine the average work hours per week.
- Multiply the average work hours per week by the hourly pay rate. This amount is the anticipated weekly gross income.
- Multiply the anticipated weekly gross income by 4.3. This amount is the anticipated monthly income.
- Divide the anticipated monthly income by two. (Drop the third number after the decimal point, when needed.) This amount is the anticipated semi-monthly gross income for one semi-monthly pay period.

When one or more of the semi-monthly checks are not normal, do not use either check unless it is received in the budget month. For ongoing months only use the anticipated semi-monthly gross amount. ([Example 2](#))

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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.

AZTECS Keying Procedures

When unusually high or low income is received, or a participant starts a new source of income paid semi-monthly, complete **all** of the following to anticipate a semi-monthly gross amount:

- Determine the average work hours per week.
- Multiply the average work hours by the pay rate.
- Then multiply that amount by 2.15 to determine the semi-monthly gross.

To budget the anticipated income for a new source of income paid semi-monthly, complete **all** of the following:

- For the first month that the participant is paid from a new source of income, key **all** of the following:

The Income Type Code in the INC TYPE and the SUB TYP field as needed.

The AC Income Frequency Code when the participant receives less than a full month of income.

NOTE Convert income when the participant receives a [full month of income\(g\)](#).

Each of the pay dates in the DATE PAID field.

The hours in the HOURS field.

For the first payday of the month, the gross pay in the GROSS AMOUNT field.

For the second pay date of the month, the anticipated calculated semi-monthly gross income.

NOTE Use the income the participant received when receiving a paycheck for both semi-monthly pay dates.

Copy details into the next month.

- In the next month, key **all** of the following:

The Income Type Code in the INC TYPE and the SUB TYP field as needed.

The SM Income Frequency Code when the participant is expected to receive a full month of income.

The pay date in the DATE PAID field for the first paycheck.

The hours in the HOURS field.

The anticipated semi-monthly gross income for the first pay period in the GROSS AMOUNT field to anticipate ongoing income.

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- Double-check to ensure only the calculated anticipated gross income is budgeted for ongoing months.

To budget unusually high or low income for semi-month income budget all the income received during the budget month, key **all** of the following:

- The Income Type Code in the INC TYPE and the SUB TYP field as needed.
- The SM Income Frequency Code when the participant is expected to receive a full month of income in the budget month.
- The pay date in the DATE PAID field for the first paycheck.
- The hours in the HOURS field.
- Copy details into the next month.
- Remove all the income keyed in the previous month.
- Use only the calculated anticipated gross income for ongoing months.

Examples

- 1) Arta applied for benefits on May 15th. Her employment is ongoing, and she is paid semi-monthly on the 15th and 30th of each month.

Arta was interviewed on May 18th, provided the following pay stubs, and stated that the pay is normal and expected to continue:

<u>Date Paid</u>	<u>Hours</u>	<u>Gross Amount</u>
04/30	82	\$533
05/15	82	\$533

Key the following on EAIC:

INC TYPE: WA		FREQ: SM	NUMBER OF PERIODS:	
PERIOD	DATE PAID	HOURS	HR. RATE	GROSS AMOUNT
01	04/30	82		533.00
02	05/15	82		533.00

Press ENTER. AZTECS averages and converts to a monthly amount.

Arta's projected income for May and ongoing is \$1066.

- 2) Harry applies for NA on 05/25 and provides the following paychecks during his interview on 06/06. He is paid twice per month on the 5th and the 20th of the month (semi-monthly).

<u>Date Paid</u>	<u>Hours</u>	<u>Gross Amount</u>
05/05	80	\$1120
05/20	85	\$1190
06/05	77	\$1078

Harry clarified that he normally works 5 days per week and 8 hours per day. His rate of pay is \$14. However, the 05/20 paychecks and the 06/05 paychecks are low because he does not have vacation time yet and had six days without pay due to his father's funeral.

For the application month of May, the 05/05 and 05/20 paychecks must be used because they occurred in the budget month. However, because the 05/20 and 06/05 paychecks are low, the ongoing semi-monthly paycheck must be manually calculated.

To manually calculate the semi-monthly paycheck, complete **all** of the following:

- Determine the average hours per week. (8 hours times 5 days equals 40 average weekly hours)
- Multiply the average weekly hours by the hourly rate of pay to determine the average weekly pay. (40 hours times \$14 equals \$560 per week)
- Multiply the average weekly pay by 4.3 to determine the monthly pay. (\$560 times 4.3 equals \$2408 per month)
- Divide the monthly pay by 2 to determine the anticipated pay per pay period. (\$2408 divided by 2 equals \$1204 per pay period)

May

INC TYPE: WA FREQ: SM NUMBER OF PERIODS:				
PERIOD	DATE PAID	HOURS	HR. RATE	GROSS AMOUNT
01	05/05	80		\$1120.00
02	05/20	85		\$1190.00

For the interview month of June, the 06/05 paycheck must be used because it occurred in the budget month. The anticipated pay of \$1204 at \$14 per hour is used for the 06/20 paycheck.

June

INC TYPE: WA FREQ: SM NUMBER OF PERIODS:				
PERIOD	DATE PAID	HOURS	HR. RATE	GROSS AMOUNT
01	06/20		\$14.00	\$1204.00
02	06/05	77		\$1078.00

For July and ongoing months, the 06/05 paycheck is removed. Only the anticipated 06/20 paycheck of \$1204 is used for ongoing months.

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July

INC TYPE: WA		FREQ: SM	NUMBER OF PERIODS:	
PERIOD	DATE PAID	HOURS	HR. RATE	GROSS AMOUNT
01	06/20		\$14.00	\$1204.00
02				

[Prior Policy](#)

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