B Averaging Income - Overview

REVISION 26
(10/01/13 – 12/31/13)

Income averaging is a method used to adjust for fluctuating income. To average income, the EI must consider the budgetary unit's expectation of monthly income fluctuations over the certification period.

The participant's income received from the last 30 days or longer must be requested, verified, and reviewed to determine the income to be budgeted during the certification period.

When averaging income, budget all income received during the following time periods when it is normal and expected to continue:

- The past 30 days
- More or less than the past 30 days

Do not use the averaged income as an indicator of projected income when it is not normal or expected to continue. Anticipate the income based on the participant's verified circumstances.

To manually average income received more often than monthly, complete the following:

- Add all gross income received during the income period.
- Divide the total gross income by the number of pay periods in the income period used. This amount is the average gross amount per pay period.
- Multiply the average gross amount per pay period by the appropriate conversion factor. This amount is the monthly gross income.

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AZTECS completes the following before converting income keyed on EAIC or UNIC:

- Totals the gross income.
- Divides the total by the number of pay periods to arrive at an average income per pay period.
- Drops the third number after the decimal point of the average income per pay period.

Documentation must support the income budgeted.

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