B Averaging Income - Overview

REVISION 46
(01/01/18 - 12/31/18)

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

Request, verify, and review the participant's income received during the prior 30 day period to determine the income that is reasonably certain to be received during the approval period. (See Income Verification.)

Do not use the averaged income as an indicator of projected income when it is not normal or expected to continue. Budget the participant's expected monthly 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.

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.

WARNING

Documentation must support determinations of eligibility and benefit level. Document in sufficient detail to ensure that any reviewer can assess whether the determination is reasonable and accurate. Include specific information regarding the reason the income is determined to be normal. (See Income Documentation Requirements .)