

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

REVISION 48
(01/01/20 - 12/31/20)

Prorate contract income over a 12-month period when it is intended for the participant's annual income. This includes contracts that cover a period 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 number of hours in the HOURS field or the hourly rate in the HR. RATE 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.