.01 Budgeting Contract Income - Received as Annual Income

REVISION 07
(01/01/09 – 03/31/09)

Contract income must be prorated over a 12-month period when either of the following applies:

- The contract covers a 12-month period.

- The income received represents the participant's annual income. This includes contracts that indicate any of the following:

  Hourly rate

  Frequency of pay

  Period of time less than 12 months

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 gross income specified in the contract in the GROSS AMOUNT field.

(See Example Budgeting Contract Income 1)

NOTE   The annualized income MUST be budgeted for the 12-month period unless the contract employment has been terminated.

MA EXCEPTION

Project the income using the appropriate income period by keying the following on EAIC:

- The OM Earned Income Code in the INC TYPE field.

- The Frequency Code in the FREQ field.

- The number of hours worked per pay period in the HOURS field.

- The gross income received per pay period in the GROSS AMOUNT field.