

B Annualizing Self Employment

Self employment income may be received daily, weekly, monthly, annually, or seasonally.

When the self employment business has been in existence for 12 or more months and there are no significant changes, divide the annual income by 12 to calculate a monthly amount.

NOTE Annualize the income even when the participant receives another source of income.

EXCEPTION

FS - DO NOT annualize income of [farmers](#) who have chosen to have self employment income budgeted as received.

MA - DO NOT annualize self employment income. Use the most recent income tax return as verification of income and expenses. Average the income and expenses over the number of months the tax return covers.

Use the income and expenses from the [30 days](#) prior to interview date when any of the following occur:

- The participant DOES NOT have the most recent income tax return.
- The participant DOES NOT file an income tax return.
- The most recent income tax return DOES NOT accurately reflect the participant's income.

When the case includes **MA** and other programs, see [SEEI MA Keying Procedures](#).

When determining a monthly amount, use the 12 full months of income that applies as follows:

- For new applications, use the 12 full months prior to the month of application.
- For renewal applications, use the 12 full months prior to the month of the timely renewal interview.
- For reported changes, use the 12 full months prior to the month the change was reported.