C   **Anticipating Self-Employment**

REVISION 45
(01/01/17 - 12/31/17)

Anticipate self-employment income when the averaged amount does not accurately reflect the monthly circumstances, due to any of the following:

- Unpredictable self-employment income that may be received less often than monthly. This income may not represent the participant's annual income.

- Self-employment income expected to be received from a new business source.

- Predictable self-employment income that normally fluctuates seasonally or monthly. This income represents the participant's annual income.

- Self-employment income expected to be received from a terminated business source. (See Terminated Self-employment)

- Contract or self-employment income derived from a duration of time shorter than 1 year shall be averaged over a 12 month period provided income is not derived from hourly or piecework basis.

NOTE   When an unusual change in circumstances causes the self-employment to temporarily stop without knowing when it will resume, the self-employment income should not be budgeted. (See Example Unusual Change)

Complete the following to determine self-employment income that is budgeted on SEEI on an anticipated basis:

- Add the amount of capital gains the participant expects to receive in the next 12 months together, starting from the date of application, and divide the amount by 12. Use this monthly amount at consecutive renewal periods for the next 12 months. Redetermine a new monthly amount when the anticipated amount of capital gains changes.

- Add the monthly capital gains amount to the self-employment income anticipated for the month. Use this total as the monthly gross income on SEEI and SEEW.

- When expenses are anticipated for the month complete the following:

For CA and NA, key Y in the EXP field on SEEI to allow the 40% self-employment deduction when at least one allowable self-employment expense is verified.

EXCEPTION

Self-employment income due to farming uses actual expenses and has special budgeting procedures. (See Farming)