

## H State Assistance Budgeting Income - Contract Income

Contract income is received by a participant based on a contract or legal document. The participant is paid for a specified length of time and a specified amount of income during that time.

The employer may pay contract income using any of the following methods:

- Hourly or piecemeal rate
- As a salary
- Over a 12-month period
- For less than a 12-month period
- At completion of the period specified in the contract

Budget income received from contract employment as follows:

- When the income is received PRIOR TO or ONLY DURING the time the work is performed complete the following:

[Prorate the income](#) over the number of months the contract covers.

Budget the income for each month of the contract, using the [monthly conversion factor](#).

- When the income is received IN EACH month of the contract, whether paid on a monthly or more frequent basis, complete the following:

[Project the income](#) using the prior [30-day period](#).

[Convert the income](#) using the appropriate conversion factor.

Budget the income for each month of the contract.

(See Example [Contract Income-sta](#))

- When the contract specifies PAYMENT UPON COMPLETION of the work, complete the following:

Prorate the income over the number of months in the contract.

Complete the CA/MA Income Maximum and Needs Test (FA-200-A) and CA/MA Budget Record (FA-200-B) to determine the net income for each month. Apply the [earned income deductions](#).

Total the net income for all months and budget as unearned income in the month the income is actually received. Treat any remaining income in the following month as a resource.

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