METHODS FOR CALCULATING ANNUALIZED INCOME

STRAIGHT PAY OR SALARY METHOD

Under the Straight Pay Method, the individual supplies a sample of pay stubs covering the most recent six (6) month of family income. There is no variation in the wages for any of the pay stubs submitted for the income verification; therefore, the intake worker calculates the income based upon the wages indicated on one of the pay stubs.

The gross income is multiplied by the number of pay periods in the six (6)-month determination period (26, 13, 12, or 6 respectively). The result is multiplied by two (2), to get the annualized income used to determine eligibility.

EXAMPLE:

Five (5) pay stubs are provided indicating gross wages of $991.00 each. The pay frequency is biweekly (13 times in six (6)-months). The intake worker multiplies the gross wages indicated on the pay stub by the frequency of the pay periods to get income for the six (6)-month determination period. The six (6)-month' s income is multiplied by two (2), to get annualized income.

EXAMPLE: $991. x 13 = $12,883 x 2 = $25,766 annualized gross income.

AVERAGE PAY METHOD:

Under the Average Pay Method, a sample of six (6), pay stubs are submitted which show variations in the gross earnings. The variations may result from overtime, lost time or work for different employers

The intake worker determines the average gross earnings based upon the number of pay stubs provided. The intake worker totals the gross earnings of all the pay stubs provided and divide the result by the number of pay stubs. The result is the average gross earnings per pay period.

The intake worker determines the pay frequency and multip]ies the gross average earnings by the number of pay periods in the six (6)-month determination period. The six (6)-month's income is multiplied by two (2), to get annualized income.

Individual provides intake worker with six (6) pay stubs with gross earnings of$534.00, $475.00, $398.00, $534.00, $498.00 and $534.00. The pay frequency is weekly. The intake worker does the following:

EXAMPLE:

Adds: $534 + $475 + $398 + $534 + $498 + $534 = $2973.00.

Divides: $2973 by 6 = $495.50 = average gross earnings per week.

Multiplies: $495.50 x 26 (weeks) = $12,883,00 x 2 = 25,766.00 annualized gross income.

YEAR-TO-DATE METHOD:

Under the year-to-date method of calculating annualized gross income, the individual provides recent pay stubs with cumulative year-to-date gross earnings indicated on the pay stub. The cumulative yea to-date gross earnings indicate the gross earnings up to the date of the pay period ending date on the pay stub. To compute the annualized income, the intake worker counts the number of pay periods that have occurred since January 1st or from the date of employment if after January 1st.

The intake worker divides the number of pay periods into the gross year-to-date earnings indicated on the pay stub. The result ofthis computation (average gross income per pay period) is then multiplied by the number of pay periods in the six (6)-month determination period. That result is then multiplied by two (2), to determine the annualized gross earnings.

EXAMPLE:

Individual provides the intake worker with a recent pay stub indicating year-to-date earnings of $18,829. The pay period ended September 30th.

The pay frequency is biweekly and the individual has been employed since January 1st. Nineteen (19) pay periods have occurred since January 1st.

The intake worker does the following:

Divides: $18,829 by 19 = $991.00 average biweekly earnings.

Multiplies: $991.00 by 13 (pay periods) = $12,883 x 2 = $25,766 annualized gross income.

INTERMITTENT WORK METHOD

When an individual has not had steady work with one or more employers, the individual shall supply as many pay stubs as possible and complete an Individual Statement explaining all missing pay stubs and non-work periods during the last six (6)-months. In this case the intake worker totals all wages for the six (6)-month period and multiplies the result by two (2) to annualize the gross Income.

If the individual reports little or no includable income, the individual shall indicate other resources relied upon for life support during the last six (6)-months on the Individual Statement. Resources may include such things as gifts, loans, unemployment compensation, etc.