

METHODS FOR CALCULATING INCOME

When calculating income, intake staff is encouraged to use any one of the following methods as appropriate. The examples are illustrative only and eligibility intake staff should obtain as many multiple pay stubs as needed and available to accurately calculate family income.

1. STRAIGHT PAY OR SALARY METHOD

Under the Straight Pay Method, the participant supplies a sample of pay stubs covering the most recent three to four months (out of the six months) of family income. Upon reviewing the pay stubs, the intake worker determines that the wages on the pay stubs are the same, with no variations.

The intake worker will calculate the income based upon the wages indicated on one of the pay stubs, since there are no variations in the gross income on any of the pay stubs. Based upon the length of the pay period represented by the pay stubs, (weekly, bi-weekly or monthly) the gross income is multiplied by the number of pay periods in a year. That is 52 x gross wages, 26 x gross wages, or 12 x gross wages, respectively. The result will be the annual income. Divide the annual income by 2 to determine the six-month income used to determine WIOA low-income eligibility.

EXAMPLE:

Five (5) pay stubs are provided indicating gross wages of \$548.00 each. The pay stubs are sporadic and cover a period of (3) months. The pay frequency is bi-weekly (13 pay periods in 6 months). An intake worker would multiply the gross wages indicated on the pay stubs by the frequency occurrence.

Multiply: $13 \times \$548 = \$7,124$. This is the six-month income used to determine WIOA low-income eligibility.

2. AVERAGE PAY METHOD

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

In calculating the six-month income, the intake worker must determine the average gross earnings based upon the number of pay stubs provided. To determine the average gross earnings, the intake worker must total the gross earnings of all the pay stubs provided and divide the result by the number of pay stubs. The result will be the average gross earnings per pay period. After determining average gross earnings per pay period, the intake worker will then determine the pay frequency and multiply the gross average earnings by the number of pay periods in the six-months.

EXAMPLE:

Participant provides intake worker with six (6) pay stubs with gross earnings of \$534, \$475, \$398, \$534, \$498.00, and \$534. The pay frequency is weekly. The intake worker should do the following:
Add: $\$534 + \$475 + \$398 + \$534 + \$498 + \$534 = \$2973.00$