Collect supportive document used to figure annual income for household. Must use and collect at least 3 months of income

To determine income using an hourly rate, the following formula should be applied:

\_\_\_\_\_\_\_\_\_\_\_\_ (hourly rate) x \_\_\_\_\_\_ (hours worked) = \_\_\_\_\_\_\_\_\_\_(weekly amount)

\_\_\_\_\_\_\_\_\_\_\_\_ (weekly amount) x \_\_\_52\_\_\_ (weeks) = \_\_\_\_\_\_\_\_\_\_ \_(annual salary)

\_\_\_\_\_\_\_\_\_\_\_\_ (annual salary / 12 (months) = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(per month)

Formula for bi-weekly wage earner:

\_\_\_\_\_\_\_\_\_\_ (gross amount per period) x \_\_26\_\_ (# of pay periods) = \_\_\_\_\_\_\_\_\_\_ (annual salary)

\_\_\_\_\_\_\_\_\_\_ (annual salary) / 12 (months = \_\_\_\_\_\_\_\_\_\_ (per month)

Formula for bi-monthly wage earner:

\_\_\_\_\_\_\_\_\_\_ (gross amount per period) x \_\_24\_\_ (# of pay periods) = \_\_\_\_\_\_\_\_\_\_ (annual salary)

\_\_\_\_\_\_\_\_\_\_ (annual salary) / 12 (months) = \_\_\_\_\_\_\_\_\_\_ (per month)

**Income Averaging**

Some employees earn an hourly rate, but work a different number of hours per week, and therefore are required to submit pay stubs as proof of income. If you use this form of income verification, each client should submit at least four (4) consecutive pay stubs (all from the most recent month(s) or the current month) that precede the time that verification is being completed.

Because gross pay will differ from week to week, you must determine what an average week’s pay will be in order to project gross annual income. The formula below should be applied in this case:

Step #1 and step #2 – list the gross salary earned for each pay stub submitted noting the week/ending date. Add all amounts listed to get a total. See below:

1st week \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (dates) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (amount)

2nd week \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (dates) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (amount)

3rd week \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (dates) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(amount)

4th week \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (dates) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (amount)

 Total amount \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Step #3: Divide the total amount by the number of stubs to get the average. Total divided by the number of stubs equals the average weekly rate. *Average weekly rate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

Step #4: Multiply the average weekly rate by 52 weeks to get the projected annual income*. Projected annual income: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

Step #5: Divide the projected annual income by 12 months to get the projected monthly income amount. *Projected monthly income: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*