

**INCOME
EARNED****WAGES, SALARIES AND CONTRACTUAL INCOME**

Description: **Wages** are **cash** payments, for labor or services. Wages are paid on an hourly, daily, or piecework basis. For example: a factory worker may be paid \$5.00 an hour; a different factory worker may be paid \$.03 for every bolt s/he tightens; a farmer may pay a worker by the day during harvest; or an A/R may clean a house for an agreed upon wage, regardless of how long it takes.

Salaries are fixed **cash** compensation, paid regularly, for labor or services. Salaries are generally paid weekly, biweekly, or monthly. Salaries do not vary with the amount of labor or services produced. However, a salaried employee's income may vary occasionally due to overtime pay, bonuses, commissions, etc. (See lump sum payments, page 109).

Contractual income is income paid on a contractual basis. The income is intended to cover a specific period of time. This includes, but is not limited to school employees. For all categories, except SSI-related, the income is averaged over the months covered by the contract, regardless of whether the employee chooses to receive/**be paid** the income in fewer or more months than the contract covers. For example: **a** school **aide** is employed under a yearly contract, but only receives a paycheck for the months of September through June. The pay for September through June should be added and divided by 12 to determine the A/R's monthly income.

For SSI-related A/Rs contractual income is budgeted as received.

Policy: All income is reviewed to determine if it is available (see page 388) and countable. Income is **generally** considered in the month it is received. **See above for a description of when to consider contractual income.**

References: **Dept Reg. 360-2.3**

ADM 93 ADM-29

Interpretation: Wages and salaries are verified. State computer matches are reviewed to determine the source of income. When determining eligibility for a retroactive period, the actual income received by the A/R is budgeted.