

WIC WORDS



Certification Update

January 21, 2026

What is income averaging

When would you use income averaging:

- Temporary leave of absence
- Students
- Overtime
- Child support
- Self employed
- One-time payments
Large sums only
- Seasonal income
- Maternity Leave
- When would you not
average income

WHAT IS INCOME AVERAGING:

Income Averaging is a method to determine income eligibility by averaging uneven income amounts over a period of time. Income may be averaged for up to a 12 month period. However, income documentation may not always be available for that many months. In such special situations, staff may use a smaller number of months to determine income.

WHEN WOULD YOU USE INCOME AVERAGING:

Income is averaged when a worker's income varies:

- When a worker's income varies every paycheck
- When people are scheduled to work sporadically
- For self employed workers

Use Income Averaging In the Following Situations:

TEMPORARY LEAVE OF ABSENCE:

Persons who have taken a temporary leave of absence for any reason should have their income averaged using the income earned during the last 6 months.

STUDENTS:

Student income can vary greatly. They might work part-time or not at all during the school year. They may work full-time during school & summer breaks. They may have a work study job. (Remember, work study is exempted as a source of income. It is considered the same as a Pell grant and is not counted as income for WIC.) Students should have their income averaged for the last 6-12 months whichever is more reflective of their income.

OVERTIME - (Sporadic or Infrequent):

Many workers paid hourly might receive overtime pay for additional hours worked, so income varies from month to month. For these workers, average total income (including the overtime pay) for 12 months.

CHILD SUPPORT: Child support received must be reported as income by the family who receives the support. It may not be subtracted from the income of the person paying the support.

Child support payments that are *sporadic or where the amounts are unpredictable* should be averaged over a 6-12 month period.

However, routine child support payments, both in timing and amount would not be averaged.

SELF EMPLOYED

Self employed persons may include:

- Farmers/Ranchers
- Small business owners
- Persons selling Scentsy, Mary Kay, Home Décor, Pampered Chef, Tastefully Simple, Jewelry, or other like items.
- Persons providing daycare in their home
- Persons delivering newspapers, either route, carrier drop off or dispenser filler.
- Persons providing Lawn care (mowing), or snow removal
- Persons doing home repairs
- Truckers who own their truck

Self-employed persons use net rather than gross income when determining eligibility. Net income is determined by subtracting the self-employed individual's operating expenses from his/her gross receipts. Averaging the net income over the previous 12 months is recommended.

The best indicator of net income for WIC purposes is the previous year's tax documents. These documents will have the net income calculated. For persons who do not have a tax statement, using bank statements or documentation from their accountant may be the best way to determine net income.

ONE TIME PAYMENTS – Large Sums:

Very large lump sum payments, such as lottery winnings in the tens or hundreds of thousands of dollars or those paid over multiple years are counted as income and averaged over a 12 month period in the year.

SEASONAL INCOME:

Persons who work in occupations which have fluctuations in income depending on the season. Their income may vary and they may work only during certain months. Others may work all year, but the amount of wages earned varies month to month or season to season. Examples include farming, construction, concrete/asphalt, persons working for seed companies, harvesters, lawn care, truckers, or railroad employees. Due to the fluctuations in income for clients in these occupations their income should be averaged for a 6 or 12 month period of time, whichever is more reflective of the actual income of the family.

INCOME WHILE ON MATERNITY LEAVE:

The income participants receive while on maternity leave will vary greatly. They may receive full pay through vacation or sick pay or they may receive no pay during this time. Anyone who is receiving partial or no pay would have their income averaged for 6 months. Refer to the [template for averaging maternity leave](#) and example scenarios.

WHEN WOULD YOU NOT AVERAGE INCOME

CONSISTENT PAY

When there is consistent pay each period: do not average income for workers who earn the same pay each time period. Use current income.

ONE TIME PAYMENTS (Small Sums):

Workers sometime receive additional money once a year, such as a Christmas bonus, additional clothing allowance, re-enlistment, hiring incentive, or small lottery winnings. Payments received are only counted as income during the month they are received. Families who received these payments and are over the income guidelines are not eligible for WIC during the month they received the lump sum payment. They may reapply in following months.