

**Non-Owner Employee**

| EARNED INCOME  | TAX FORMS   | INCOME FIGURE USED   |
|--|---|--|
| <ul style="list-style-type: none"> <li>•Wages, regular overtime, bonus and commissions (less expenses)</li> <li>•Qualified retirement plans may be included as earned income. Limits may apply.</li> </ul> | <ul style="list-style-type: none"> <li>• Copy of W-2</li> <li>• 1040 - page 1 &amp; 2</li> <li>• Schedule E if filed with the return</li> </ul> | W-2 box #5 labeled “Medicare Wages and Tips”<br><br>Pre-tax retirement plan contributions, box 12 on W-2 |

**Owner of Sole Proprietorship**

| EARNED INCOME   | TAX FORMS   | INCOME FIGURE USED  |
|---|---|---------------------|
| Net profits of the business or profession, after expenses but before taxes. | <ul style="list-style-type: none"> <li>• Schedule C from personal return</li> <li>• 1040 - page 1 &amp; 2</li> <li>• Schedule E if filed with the return</li> </ul> | Schedule C line #31 |

**Partnership**

| EARNED INCOME  | TAX FORMS   | INCOME FIGURE USED  |
|--|---|---|
| Partner’s proportionate share of the net profit of the business or profession. | <ul style="list-style-type: none"> <li>• 1040 - page 1 &amp; 2</li> <li>• Partnership Forms 1065</li> <li>• Schedule K-1 (1065)</li> <li>• Schedule E if filed with the return</li> </ul> | Add K-1 lines 1 and 4, subtract line 12<br><br>Or.....<br><br>Schedule E Non-passive income |

**S-Corp**

| EARNED INCOME   | TAX FORMS   | INCOME FIGURE USED  |
|---|---|---|
| <ul style="list-style-type: none"> <li>•Wages, regular overtime, bonus and commissions (less expenses)</li> <li>• <b>Owner’s proportionate share of the net profit of the business of profession.</b></li> <li>•Qualified retirement plans may be included as earned income. Limits may apply.</li> </ul> | <ul style="list-style-type: none"> <li>• Copy of W-2</li> <li>• 1040 - page 1 &amp; 2</li> <li>• Schedule E</li> <li>• Corporate Tax Return Form 1120S and Schedule K-1(1120S)</li> </ul> | W-2 box #5 plus Schedule E Nonpassive income, subtract passive loss.<br>“Passive” may be counted as unearned income.<br><br>Or...<br><br>Add 1120S line 7 (owner’s share shown on W-2) and K-1 box #1, subtract line 11 |

**C-Corp Owner**

| EARNED INCOME  | TAX FORMS   | INCOME FIGURE USED                            |
|--|---|---|
| <ul style="list-style-type: none"> <li>•Wages, regular overtime, bonus and commissions (less expenses)</li> <li>•Qualified retirement plans may be included as earned income. Limits may apply.</li> </ul> | <ul style="list-style-type: none"> <li>• Copy of W-2</li> <li>• 1120 C-Corp return</li> <li>• 1040 - page 1 &amp; 2</li> <li>• Schedule E if filed with the return</li> </ul> | W-2 box #5 labeled “Medicare, Wages and Tips” |

**LLC or LLP**

| EARNED INCOME  | TAX FORMS                             | INCOME FIGURE USED   |
|--|---------------------------------------|--|
| Type of business tax return filed for the LLC or LLP will govern the documentation required. | See appropriate business entity above | See appropriate requirements above for regular corporation or partnerships |