

Self-employed people are those who are responsible for their own work schedule and do not have coverage under an employer's liability insurance or workers' compensation.

Self-employed people generally work for themselves rather than an employer. However, people employed in some types of services may be self-employed even if they have an employer or work out of another's business location (for example: real estate sales people, people who work for commission sales, manufacturer's representatives, independent contractors). Self-employed people may or may not have FICA deducted from the check an employer or another party issues to them. When self-employed people indicate they are independent contractors, check with the business the self-employed client is contracting with to see if it considers the client to be self-employed or an employee. If the business states that it considers the self-employed person to be an independent contractor, then the client is self-employed.

People who provide day care in their own homes are self-employed. People who provide day care in someone else's home are not self-employed.

People who provide gig work, including those using digital platforms such as an app or website, are considered self-employed independent contractors unless an employer verifies W-2 employee status. See the [Self-Employment Guide \(PDF\)](#).

Examples of gig work include, but are not limited to:

- Driving a car for booked rides or deliveries.
- Running errands or completing tasks.
- Selling goods online.
- Renting equipment.
- Providing creative or professional services.

Self-employed people may own a business solely or in partnership.

Income from a sole proprietorship is self-employment income.

S-Corporation

When the business is a partnership or S-Corporation, all wages, draws, guaranteed payments, or compensation of officers paid to the business owner or a household member is considered earned income. Any other income from a partnership or S-Corporation is self-employment earned income.

S-Corporations are considered self-employment businesses. Income received by the shareholders is countable income regardless of whether the individual decides to reinvest his or her income back into the corporation. See [0002.59 \(Glossary: RSDI...\)](#) for the definition of S-Corporation.

Limited Liability Company (LLC)

LLC is a hybrid business entity having certain characteristics of both a corporation and a partnership. When someone sets up an LLC, they separate their business and personal identities. If an LLC has only one owner, treat the LLC as a sole proprietor. All wages or salaries paid to a business owner or household member is considered earned income. Any other income or profits is considered self-employment earned income.

C-Corporation

C-Corporations are NOT self-employment businesses. See [0002.09 \(Glossary: Calendar Month...\)](#) for the definition of C-Corporation.

See [0017.15.33.03 \(Self-Employment, Convert Inc. To Monthly Amt\)](#) and the [Self-Employment Guide \(PDF\)](#).

For specific types of self-employment businesses that must follow special provisions, see:
[0017.15.33.24 Self-Employment Income From Farming](#).

[0017.15.33.27](#) [Self-Employment Income From Roomer/Boarder.](#)

[0017.15.33.30](#) [Self-Employment Income From Rental Property.](#)

[0017.15.54](#) [Capital Gains and Losses as Income.](#)

Add gross self-employment income to other earned income to determine total gross earned income for the client. For programs with a gross income limit, count gross self-employment income toward the gross income limit. Apply the disregards and deductions to total earned income (from self-employment and other earned income) to determine net income. See [0018.06 \(Work Expense Deductions\)](#), [0018.09 \(Dependent Care Deduction\)](#), [0018.18 \(Earned Income Disregards\)](#).

MFIP, DWP, SNAP, GA:

Follow general provisions.

MSA:

For SSI recipients, no county action is required. SSA will make all income determinations and adjustments.

For non-SSI recipients due to excess income, follow general provisions.

GRH:

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.