

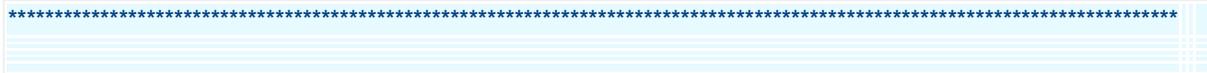
Department of Social and Health Services
Olympia, Washington
EAZ Manual

Revision # 950
Category Self Employment Income
Issued 11/15/2016
Revision Author: Ezra Paskus
Division CSD
Mail Stop 45440
Phone 360-725-4611
Email ezra.paskus@dshs.wa.gov

Summary

Clarified Clarifying Information WAC 388-450-0080.

See below for edited text:



Clarifying Information - [WAC 388-450-0080](#)

Determining Self Employment (SE) Income

1. **Child Care**

1. Child care providers that are subject to the licensing requirements under chapter [74.15 RCW](#) are self-employed, even if they ~~don't~~ ~~to not~~ have a current license. Child day-care center operators and family home day-care providers are self-employed.

EXAMPLE:

Mary watches several neighborhood children in her home after school. She is not licensed, but she receives \$100 a month for each child that comes to her house for a few hours after school each day. Mary is subject to licensing requirements under chapter 74.15 RCW, regardless of whether she has obtained the required license. Mary is self-employed.

+

- Child care providers, who don't require a license under state law, are not self-employed. People who are not required to be licensed under state law to provide care are considered to have an employer/employee relationship with the parent of the child for whom they provide care. We These unlicensed individual providers are considered consider unlicensed individual providers as to be employees of the child(ren)'s parents.

EXAMPLE:

Betty is an individual provider paid by Ms. Lee to provide care of Ms. Lee's child in the child's home. Betty is Ms. Lee's employee.

EXAMPLE:

Mary watches several neighborhood children in her home after school. She is not licensed, but she receives \$100 a month for each child that comes to her house for a few hours after school each day. Mary is subject to licensing requirements under chapter 74.15 RCW, regardless of whether she has obtained the required license, and Mary is self-employed.

EXAMPLE:

Ted provides child care for Ms. Thomas, who has been is approved for WCCC. Ted receives payments through SSPS, and from Ms. Thomas pays for the remaining co-pay directly. Ted is an employee.

EXAMPLE:

Ron states he is a financial advisor and is paid on commission. To determine if Ron is self-employed, ask if he receives a W-2 (employee) or 1099 (self-employed self-employed). If he just began working, You may need to verify the type of tax document he receives or if taxes and FICA are deducted from his checks by contacting his employer, ask the company he works for which tax document he will receive (W-2 or 1099) or if taxes and FICA will be deducted from his commission checks.

Formatted: Font: (Default) Source Sans Pro, 10.5 pt, Bold, Font color: Gray-60%

Formatted: Normal, Indent: Left: 0.84", No bullets or numbering

Formatted: Font: (Default) Source Sans Pro, 10.5 pt, Font color: Gray-60%

Formatted: Normal, Indent: Left: 1", No bullets or numbering

Formatted: Indent: Left: 0.59", No bullets or numbering

2. **ALTSA**

The Aging and Long Term Support Administration (ALTSA) and Developmental Disabilities Administration (DDA) pay individual providers (IP) to provide personal care to their clients. Individual providers work at the direction and control of for the ALTSA/DDA person to whom they provide care Community Options Program Entry System (COPES) customer as well as and the state. Their hours and wages are set by the customer COPES customer and the state, although the ALTSA/DDA customer may be required to pay the provider directly towards some of the cost of care. Also, they Individual care providers also receive benefits and have representation and are required under, WAC 388-71-0505

~~requires COPES customers to have establish~~ an employer-employee relationship with the customer.
~~COPES and other-ALTSA and DDA~~ individual providers are employees.

3. Corporations

People who own a corporation are not coded as self-employed. This is true even if the person is the sole investor in the business. Corporations are separate entities from their investors and employees. The person is considered an employee of a corporation, and may also have income from dividends related to any investment in the corporation. Code A any income received from the corporation other than wages ~~must be coded~~ as unearned income. This includes any payments made by the corporation for personal expenses, (for example:

- mortgage payments;
- car insurance; and
- household items).

See [Treatment of Income](#) for information on budgeting income from dividends and regular earnings.

~~Corporations include~~ S Corporations are treated the same as corporations, and can include Limited Liability Companies (LLC) are treated the same as corporations if they are set up as corporate structures. Partnerships are not incorporated, and are considered self-employment enterprises. For more information on various business structures, visit the [IRS website](#).

4. Odd Jobs

Getting money for sporadic or periodic work without a business license or established employer to employee relationship, or "Odd Jobs", is considered self-employment

Make every attempt to verify odd job income using available means including collateral contacts. Accept the statement of a client with odd job income as verification of income only after all reasonable attempts to verify the income fail. Provide the client with self-employment verification work sheets, or request that the client find another way of getting acceptable collateral verification of income for their next review.

4.5 WorkFirst

For more information about how self-employment affects the WorkFirst participation of TANF / SFA clients, see the WorkFirst Handbook, Section 8.2. Self-Employment.

Formatted: Font: (Default) Source Sans Pro, 10.5 pt, Font color: Gray-60%

Formatted: List Paragraph, Bulleted + Level: 1 + Aligned at: 0.59" + Indent at: 0.84"

