

*It will help you in making your reports to the Social Security Administration if you keep a simple, month-by-month record of the time you spend in connection with your business.*

When a decision based on time alone would be unreasonable, consideration is given to the kind of work done. The more valuable and highly skilled the work is, the more likely it is to be substantial.

If facts about the time the self-employed person spends and the kind of work he does are not enough for a decision, the work is compared to what he did in the past. A sizable reduction in the amount or importance of his work would be an indication that his services are not substantial.

If it is still not clear, after all these points have been considered, whether he is or is not performing substantial

services, all other circumstances are considered.

### **What Do I Count in Figuring My Total Annual Earnings?**

*Wages.*—If you are working for wages or a salary, you will count the gross wages or salary (not the take-home pay) you *earned* for your work during the year. If wages for any of that work were paid to you after the close of the year, be sure to count in such amounts. But do not count any wages *paid* to you during the year for work you did in an earlier year.

Count any wages in a form other than cash, such as meals and living quarters. *Exception:* If you work as a domestic in a private household or work on a farm, count only your cash wages.

Count bonuses, commissions, fees, and vacation and holiday payments.

Count earnings from all types of work, whether or not they are covered by social security.

*Earnings From Self-Employment.*—If you work for yourself, count your net profit, after expenses, from all trades or businesses of which you are either the sole owner or partner, and from the practice of any profession, whether covered by social security or not.

*Do not count as part of your annual earnings any investment income in the form of dividends from stocks you own or interest. Do not count annuities or pensions. Do not count your rentals from real estate which you own unless*

- You are a real estate dealer, or
- You rent out a farm you own and under your rental arrangement you participate materially in the production or management of production of farm commodities on your land.

### **What Is My Taxable Year?**

If your taxable year runs from January 1 to December 31, as is true for most of us, count your earnings for that period in order to figure out how much benefits will be payable. If your taxable year is a fiscal year, ending on a day other than December 31, use your fiscal year as your base year. In either case, your earnings for the whole 12-month period must be counted.

### **Must I Count My Earnings for Months Before I Filed a Claim for Benefits?**

You must count your earnings for the whole taxable year in order to decide how much in benefits will be due you in that year. This is true even in the year in which you first file your claim. So any earnings you made in months both before and after your claim was filed