Self-Employment

Time: 10:00am – 11:30am
Dial-In Number: 1-855-897-5763
Conference ID: 7935188
Today’s Webinar

– Dial in to listen to the audio portion of the webinar using the audio instructions on your Webex control panel.

– All participants will remain muted for the duration of the program.

– Questions can be submitted using the Q&A function on your Webex control panel; we will pause periodically to take questions.

– A recording of the webinar and any related materials will be available online and emailed to all registrants.
How to Select a Health Plan

Here’s what you said:

• More than 95% said “this webinar increased my knowledge of the topic”.

• More than 95% said “the information will allow me to better assist consumers in choosing a QHP”.

“Please keep doing these kind of trainings, they are very helpful”

“Continue featuring expert and great facilitators.”

“What was unclear became clearer with this webinar.”

“I am really looking forward to the Essential Plans webinar.”
Presenters

• Welcome
  Gabrielle Armenia  Bureau Director of Child Health Plus Policy & Exchange Consumer Assistance

• Today’s Panelists
  Erin Bacheldor  Medical Assistance Specialist, Division of Eligibility and Marketplace Integration
  K. Pamela Lavillotti  Project Manager, Bureau of Child Health Plus Policy & Exchange Consumer Assistance
  Amy Grabek  Regional Director, Small Business Marketplace
  Judith Layton  Health Program Administrator 2, Bureau of Medicaid Enrollment and Exchange Integration
  Sara Oberst  Eligibility Program Manager 2, Division of Eligibility and Marketplace Integration
  Sara Rothstein  Director of Policy and Planning, NY State of Health
Agenda

• Who are the Self Employed
• Types of Self Employment
• How to Locate Self Employment on a Tax Return
• Where to Enter Self Employment Income in the Application
• Documentation Requirements
Who are the Self-Employed?

According to the IRS, a person is considered self-employed if any of the following apply:

• Carry on a trade or business as a sole proprietor or an independent contractor

• A member of a partnership or S corporation that carries on a trade or business

• Otherwise in business for themselves (including a part-time business)
What are the Sources of Self-Employment Income?

- Sole Proprietorship
  - Business
  - Farm
- Partnership
- S Corporation
- Rental Real Estate
Individual Marketplace versus Small Business Marketplace (SBM)

• As of 1/1/2014, Sole Proprietors without any employees are not eligible to participate in the SBM.

• As of 1/1/2014, Sole Proprietors with at least one eligible common law employee qualify as a small group and are eligible to enroll in the SBM (either the sole proprietor and/or his common law employee were eligible to enroll in SBM).

• What is changing as of 1/1/2016 is that all small groups (including those who are sole proprietors with common law employees, partnerships, s-corporations and any incorporated or unincorporated small groups) must have at least one common law employee ENROLLED in order to be considered a small group and eligible to participate in the SBM. That means, the small group must know that a common law employee will enroll, in order for his/her group (and the owner) to be eligible for coverage in the SBM.
## Common Law Employee

<table>
<thead>
<tr>
<th>Individual Marketplace</th>
<th>SBM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does not have at least one eligible common law employee enrolled.</td>
<td>Must have at least one enrolled common law employee to qualify as a small group and are eligible to enroll in the SBM.</td>
</tr>
</tbody>
</table>

**Common Law Employee** - A common law employee cannot be the owner or the spouse of the owner. The child of the sole proprietor or owner of a small group *could* be a common law employee provided he or she is actually employed by the business and works a minimum of 20 or more hours on average per week.
Who is Not Self-Employed?

- C-Corporation
- Form 1120
How is Self-Employment Income Reported?

- Income is reported on an individual’s tax return Form 1040
  - All business expenses allowed by the IRS are allowed for MAGI eligibility determinations
  - Additional IRS deductions are also allowed
### Income

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Wages, salaries, tips, etc. Attach Form(s) W-2</td>
<td>Attach Form(s) W-2. This is where you report your income from wages, salaries, tips, etc.</td>
</tr>
<tr>
<td>8a</td>
<td>Taxable interest. Attach Schedule B if required</td>
<td>If you have interest income, you need to report it and attach Schedule B.</td>
</tr>
<tr>
<td>8b</td>
<td>Tax-exempt interest. Do not include on line 8a</td>
<td>This line is for interest income that is not taxable.</td>
</tr>
<tr>
<td>9a</td>
<td>Ordinary dividends. Attach Schedule B if required</td>
<td>This line is for dividends received from stocks.</td>
</tr>
<tr>
<td>9b</td>
<td>Qualified dividends</td>
<td>This line is for qualified dividends.</td>
</tr>
<tr>
<td>10</td>
<td>Taxable refunds, credits, or offsets of state and local income taxes</td>
<td>Report refunds, credits, or offsets from state and local income taxes.</td>
</tr>
<tr>
<td>11</td>
<td>Alimony received</td>
<td>If you received alimony, report it here.</td>
</tr>
<tr>
<td>12</td>
<td>Business income (loss). Attach Schedule C or C-EZ</td>
<td>Report your business income (or loss) and attach Schedule C or C-EZ.</td>
</tr>
<tr>
<td>13</td>
<td>Capital gain or (loss). Attach Schedule D if required</td>
<td>This line is for capital gains or losses.</td>
</tr>
<tr>
<td>14</td>
<td>Other gains or (losses). Attach Form 4797</td>
<td>Report other gains or losses here.</td>
</tr>
<tr>
<td>15a</td>
<td>IRA distributions</td>
<td>If you have IRA distributions, report them here.</td>
</tr>
<tr>
<td>15b</td>
<td>b Taxable amount</td>
<td>Report the taxable amount from the IRA distributions.</td>
</tr>
<tr>
<td>16a</td>
<td>Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E</td>
<td>Report rental real estate, royalties, partnerships, S corporations, trusts, etc.</td>
</tr>
<tr>
<td>16b</td>
<td>b Taxable amount</td>
<td>Report the taxable amount from the rental income.</td>
</tr>
<tr>
<td>17</td>
<td>Farm income or (loss). Attach Schedule F</td>
<td>Report farm income (or loss) and attach Schedule F.</td>
</tr>
<tr>
<td>20a</td>
<td>Social security benefits</td>
<td>If you received social security benefits, report them here.</td>
</tr>
<tr>
<td>20b</td>
<td>b Taxable amount</td>
<td>Report the taxable amount from social security benefits.</td>
</tr>
<tr>
<td>21</td>
<td>Other income. List type and amount</td>
<td>Report other income and specify the type and amount.</td>
</tr>
<tr>
<td>22</td>
<td>Combine the amounts in the far right column for lines 7 through 21. This is your total income</td>
<td>Summarize your total income.</td>
</tr>
</tbody>
</table>

### Adjusted Gross Income

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Educator expenses</td>
<td>If you are an educator, report your expenses here.</td>
</tr>
<tr>
<td>24</td>
<td>Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ</td>
<td>Report business expenses of reservists, performing artists, and fee-basis government officials.</td>
</tr>
<tr>
<td>25</td>
<td>Health savings account deduction. Attach Form 8889</td>
<td>If you have a health savings account, report the deduction here.</td>
</tr>
<tr>
<td>28</td>
<td>Self-employed SEP, SIMPLE, and qualified plans</td>
<td>If you are self-employed, report contributions to SEP, SIMPLE, and qualified plans.</td>
</tr>
<tr>
<td>29</td>
<td>Self-employed health insurance deduction</td>
<td>Report self-employed health insurance deductions.</td>
</tr>
<tr>
<td>30</td>
<td>Penalty on early withdrawal of savings</td>
<td>Report penalties related to early withdrawal of savings.</td>
</tr>
<tr>
<td>31a</td>
<td>Alimony paid. b Recipient’s SSN</td>
<td>Report alimony paid and attach the recipient’s SSN.</td>
</tr>
<tr>
<td>32</td>
<td>IRA deduction</td>
<td>If you have an IRA, report the deduction here.</td>
</tr>
<tr>
<td>33</td>
<td>Student loan interest deduction</td>
<td>Report student loan interest deductible here.</td>
</tr>
<tr>
<td>34</td>
<td>Tuition and fees. Attach Form 8917</td>
<td>Report tuition and fees here.</td>
</tr>
<tr>
<td>35</td>
<td>Domestic production activities deduction. Attach Form 8903</td>
<td>Report domestic production activities deduction.</td>
</tr>
<tr>
<td>36</td>
<td>Add lines 23 through 35</td>
<td>Summarize the amounts from line 23 to 35.</td>
</tr>
<tr>
<td>37</td>
<td>Subtract line 36 from line 22. This is your adjusted gross income</td>
<td>Subtract the total from lines 23 to 35 to get your adjusted gross income.</td>
</tr>
</tbody>
</table>
How is Income from a Sole Proprietorship Reported?

12. Business income or (loss). Attach Schedule C or C-EZ

18. Farm income or (loss). Attach Schedule F
How is Income from a Partnership Reported?

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E</td>
</tr>
</tbody>
</table>

Adjusted Gross Income

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
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<tbody>
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<td>23</td>
<td>Educator expenses</td>
</tr>
<tr>
<td>24</td>
<td>Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ</td>
</tr>
<tr>
<td>25</td>
<td>Health savings account deduction. Attach Form 8889</td>
</tr>
<tr>
<td>26</td>
<td>Moving expenses. Attach Form 3903</td>
</tr>
<tr>
<td>27</td>
<td>Deductible part of self-employment tax. Attach Schedule SE</td>
</tr>
<tr>
<td>28</td>
<td>Self-employed SEP, SIMPLE, and qualified plans</td>
</tr>
<tr>
<td>29</td>
<td>Self-employed health insurance deduction</td>
</tr>
<tr>
<td>30</td>
<td>Penalty on early withdrawal of savings</td>
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<tr>
<td>31a</td>
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<td>33</td>
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</tr>
<tr>
<td>34</td>
<td>Tuition and fees. Attach Form 8917.</td>
</tr>
<tr>
<td>35</td>
<td>Domestic production activities deduction. Attach Form 8903</td>
</tr>
<tr>
<td>36</td>
<td>Add lines 23 through 35</td>
</tr>
<tr>
<td>37</td>
<td>Subtract line 36 from line 22. This is your adjusted gross income</td>
</tr>
</tbody>
</table>
How is Income from an S-Corporation Reported?

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
How is Income from Rental Real Estate Reported?

- **Line 12**: Business income or (loss). Attach Schedule C or C-EZ
- **Line 17**: Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
To Summarize: Where is Self-Employment Income Reported on the Form 1040?

- **12** Business income or (loss). Attach Schedule C or C-EZ
- **17** Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
- **18** Farm income or (loss). Attach Schedule F
To Summarize: Where are Self-Employment Deductions Reported on the Form 1040?

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Deductible part of self-employment tax. Attach Schedule SE</td>
</tr>
<tr>
<td>28</td>
<td>Self-employed SEP, SIMPLE, and qualified plans</td>
</tr>
<tr>
<td>29</td>
<td>Self-employed health insurance deduction</td>
</tr>
<tr>
<td>30</td>
<td>Penalty on early withdrawal of savings</td>
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<tr>
<td>34</td>
<td>Tuition and fees. Attach Form 8917</td>
</tr>
<tr>
<td>37</td>
<td>Subtract line 36 from line 22. This is your adjusted gross income</td>
</tr>
</tbody>
</table>
Poll Question #1

1. True or False? Bob is a Sole-Proprietor. He has 3 full time employees, but none of them are planning to enroll through Bob’s company on the SBM. Bob may enroll in the Individual Marketplace and get coverage for himself and his family.

A. True
B. False
Questions?
Remember, this question applies to all income received by tax filing household.

- Form 1040, line 37 – Adjusted Gross Income (AGI)

- Applicants may hesitate with this question.
- Changes can’t always be predicted.
- If the applicant doesn’t expect any significant changes then they should assume it will be the same.
- Reassure the applicant that they can (and must) report a change in the future.
• If the answer is “Yes” and expected yearly income for coverage year is found to be reasonably compatible with federal and state data sources, no further income information will be required.

  o Income verification process is complete.
You will know that the data was found reasonably compatible because you will be moved to the “Other Information” section of the application.
Title II Income from Social Security

• A new question has been added to the application directly under the 1st question “Do you expect your income in [year] to be the same as what was reported on your [previous year] federal income tax return.”

• If the consumer checks “yes” they will need to build their income even if their attested annual income is reasonably compatible with state and federal data sources.

• NY State of health has been updated to no longer count Title II income when it should be disregarded per MAGI rules.
If the answer is “Yes” and expected yearly income for the coverage year is not found to be reasonably compatible with federal and state data sources….

OR

If the answer is “No”

OR

If the answer is “I don’t know”
NY State of Health will ask the consumer to build their income.

Self-Employed consumers have 2 options when building their income.
1. Enter Self-Employment income under “Income from a Job”
2. Enter Self-Employment Income under “Additional Income”
Beatrice Williams
Self Employed - Owns Beatrice’s Best Cleaning
• New Business
• Sole Proprietor
• Needs to build income
Use either “Click here” or “Add Income Source” to enter Self-Employment Income under “Income from a Job”
Beatrice’s Best Cleaning

Add Job / 1099 Income

Employer / Company Name *

D/B/A Name

Employer DBA Name

Self employed

Employer / Business Address

Address Line 1 *

100 Broadway

Address Line 2

City *

Albany

ZIP Code *

12203

State *

NEW YORK

Close

Next
Edit Job / 1099 Income

Step 1. Employer Details > Step 2. Add Income

Beatrice’s Best Cleaning
100 Broadway,
Albany NY, 12203

Tell us your expected self-employment income. You can enter either the past three months of actual business/expenses from this year, or the estimated income/expenses for the next three months. We ask for three months of information because you may not earn the same amount each month. It is also more accurate to collect three months of information.

If three months of business income/expenses do not accurately reflect your annual income, you may enter your self-employment income as income from a job and select your income frequency as Inconsistent/Seasonal.
## Edit Job / 1099 Income

**Step 1. Employer Details > Step 2. Add Income**

**Informations Seasonal:**

<table>
<thead>
<tr>
<th>Business Income (Last Three Months)</th>
<th>Month 1 06 / 2015</th>
<th>Month 2 07 / 2015</th>
<th>Month 3 08 / 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales</td>
<td>$2,750</td>
<td>$2,850</td>
<td>$2,650</td>
</tr>
<tr>
<td>Rents Received</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Royalties Received</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Inventory Purchases</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Gross Income</td>
<td>$2,750</td>
<td>$2,850</td>
<td>$2,650</td>
</tr>
</tbody>
</table>

**Business Expenses**

<table>
<thead>
<tr>
<th></th>
<th>06/2015</th>
<th>07/2015</th>
<th>08/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Business Expenses</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Average Net Income</td>
<td></td>
<td></td>
<td>$33,000</td>
</tr>
</tbody>
</table>

[Add Another Expense]
### Edit Job / 1099 Income

**Business Income (Last Three Months)**

<table>
<thead>
<tr>
<th></th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Sales</strong></td>
<td><strong>$2,750</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rents Received</strong></td>
<td><strong>$0</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Royalties Received</strong></td>
<td><strong>$0</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Inventory Purchases</strong></td>
<td><strong>$0</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td><strong>$2,750</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Business Expenses**

<table>
<thead>
<tr>
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<th>06/2015</th>
<th>07/2015</th>
<th>08/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Business Expenses</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$0.00</strong></td>
</tr>
<tr>
<td><strong>Average Net Income</strong></td>
<td></td>
<td></td>
<td><strong>$33,000</strong></td>
</tr>
</tbody>
</table>
### Edit Job / 1099 Income

- **Office expenses**
- **Telephone**
- Supplies
- Heat/Utilities
- Advertising
- Interest
- Insurance
- Bank Charges
- Repairs and Maintenance
- Business Taxes and licenses
- Business Vehicle Expenses

<table>
<thead>
<tr>
<th></th>
<th>Month 2</th>
<th>Month 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>07 / 2015</strong></td>
<td>$2,550</td>
<td>$2,650</td>
</tr>
<tr>
<td><strong>08 / 2015</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>07 / 2015</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>08 / 2015</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>07 / 2015</strong></td>
<td>$2,550</td>
<td>$2,650</td>
</tr>
<tr>
<td><strong>08 / 2015</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Business Expenses</strong></td>
<td>$250</td>
<td>$250</td>
</tr>
<tr>
<td><strong>Average Net Income</strong></td>
<td></td>
<td>$30,000</td>
</tr>
</tbody>
</table>
Business Expenses

- Bank Charges
  - Repairs and Maintenance
  - Business Taxes and licenses
  - Business Vehicle Expenses
  - Business Rental Property
  - Business travel, meals
  - Business Equipment Rental
  - Other Expenses (specify)

--Farm Expenses--
  - Chemicals
  - Conservation expenses
  - Custom hire
  - Feed
  - Fertilizers and lime
  - Freight and trucking
  - Gasoline, fuel, and oil
  - Labor hired (less employment credit)
  - Seeds and plants
  - Veterinary, breeding, and medicine
  - Other expenses (Specify)
Income From a Job

We checked state, federal and other data sources for any income you and your family may have received this year. The Marketplace will use this information to verify what you tell us about your income.

Click on **Add Income Source** to add a job that is not listed below. Click on **Edit Income** to tell us how much you receive from this job. Click on **Remove Income** to delete this income source.

You may see information listed about your current or previous employer. Click on **Never Worked Here**, if you never worked at the job shown below. Click on **No Longer Working Here** if you will not be working at this job in the future.

If you do not have any income from a job, check the box next to your name.

---

**Beatrice Williams**

<table>
<thead>
<tr>
<th>Employer</th>
<th>Income</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beatrice’s Best Cleaning</td>
<td>$30,000</td>
<td>Remove Income</td>
</tr>
<tr>
<td>100 Broadway,</td>
<td></td>
<td>Edit Income</td>
</tr>
<tr>
<td>Albany NY. 12203</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

[Next button circled]
NY State of Health will ask the consumer to build their income.

1. Enter Self-Employment income under “Income from a Job”

2. Enter Self-Employment Income under “Additional Income”
In order to enter Self-Employment income as "Additional Income" you must get to the "Additional Income" screen.

• Since Beatrice does not have any additional employment she can check the box for "no earned income in 2015".
In order to enter Self-Employment income as “Additional Income” you must get to the “Additional Income” screen.

- Income from a job (reviewed in previous slide)
- Unemployment Insurance Benefits
- Social Security Benefits

Income from Unemployment Insurance Benefits

We checked state and federal data sources for any income you and your family may have received this year. The Marketplace will use this information to verify what you tell us about your unemployment insurance benefits.

Click on Add Benefits if you will get benefits not listed below. Click on Edit Benefits to tell us how much you receive from this benefit. Click on Remove Benefits to delete this benefit.

If you do not receive any Unemployment Insurance Benefits, check the box next to your name.

Beatrice Williams

Samantha

Income from Social Security Benefits

We checked state and federal data sources for income you and your family may have received this year. The Marketplace will use this information to verify what you tell us about your Social Security Benefits. These benefits include Social Security Disability, Retirement (including income from Railroad Retirement), and Survivor’s Benefits. You do not need to tell us about your Supplemental Security Income (SSI) benefits.

Click on Add Benefits if you will get benefits not listed below. Click on Edit Benefits to tell us the amount you receive from this benefit. Click on Remove Benefits to delete this benefit.

If you do not receive any income from the Social Security Administration, check the box by your name.

Beatrice Williams

Samantha

* Click here to add Social Security Benefits for Samantha.
Use either “Click here” or “Add Additional Income” to enter Self-Employment Income under “Additional Income”.

**Additional Income**

The Marketplace also needs to know about other income you and your family will get during the coverage year. Do not tell us about income sources such as child support, Veterans Payments, worker’s compensation, Supplemental Security Income (SSI), or gifts/inheritances. You also do not have to tell us about your assets or resources. If you already told us about an income source, do not re-enter this information here.

Click on Add Additional Income to include income from other sources. Click on Edit Income to change the amount you receive from this income. Click on Remove Income to delete this income source.

If you do not have any additional income, check the box next to your name.

Beatrice Williams

- [ ] Beatrice will have no Additional income in 2019  
  - [ ] Click here to add additional income for Beatrice.
Add / Edit Additional Income

What type of income will this person be receiving? *

--Select Income Type--

How much do you get from this income source, before taxes? *

Amount per

How Often?

--Select--
What are the Income Choices Specific to Self-Employment?

<table>
<thead>
<tr>
<th>Income Type</th>
<th>1040 Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRA Distributions (taxable amount only)</td>
<td></td>
</tr>
<tr>
<td>Pensions &amp; Annuities (total amount)</td>
<td></td>
</tr>
<tr>
<td>Pensions &amp; Annuities (taxable amount only)</td>
<td></td>
</tr>
<tr>
<td>Alaska Permanent Fund Dividends</td>
<td></td>
</tr>
<tr>
<td>Taxable refunds, credits, etc. of state &amp; local inc taxes</td>
<td></td>
</tr>
<tr>
<td>Alimony Received</td>
<td></td>
</tr>
<tr>
<td><strong>Business Income</strong></td>
<td><strong>12</strong></td>
</tr>
<tr>
<td><strong>Other Gains</strong></td>
<td></td>
</tr>
<tr>
<td>Rental R-E, royalties, partnerships, S-Corps, trusts</td>
<td><strong>17</strong></td>
</tr>
<tr>
<td><strong>Farm Income</strong></td>
<td><strong>18</strong></td>
</tr>
<tr>
<td>Other Income: (applicable only to the 1040 form)</td>
<td></td>
</tr>
<tr>
<td>Net operating loss</td>
<td></td>
</tr>
<tr>
<td>Stock Options</td>
<td></td>
</tr>
<tr>
<td>Cancellation of debt</td>
<td></td>
</tr>
<tr>
<td>Foreign Earned Income Exclusion (amt is excluded from income to arrive at total income for line 22)</td>
<td></td>
</tr>
<tr>
<td>Gambling Income</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td></td>
</tr>
<tr>
<td>Other losses</td>
<td></td>
</tr>
<tr>
<td>Capital Loss</td>
<td></td>
</tr>
<tr>
<td><strong>Business Loss</strong></td>
<td><strong>12/17/18</strong></td>
</tr>
<tr>
<td>Other Losses</td>
<td></td>
</tr>
</tbody>
</table>
What type of income will this person be receiving? *

- Select Income Type -
  - Taxable Interest
  - Tax Exempt Interest
  - Ordinary Dividends
  - Qualified Dividends
  - Capital Gain Distributions (applied to 1040A only)
  - Capital Gain
  - IRA Distributions (total distributions)
  - IRA Distributions (taxable amount only)
  - Pensions & Annuities (total amount)
  - Pensions & Annuities (taxable amount only)
  - Alaska Permanent Fund Dividends
  - Taxable refunds, credits, etc. of state & local income taxes
  - Alimony Received
  - Business Income

Other Gains
  - Rental R-E, royalties, partnerships, S-Corps, trusts
  - Farm Income
  - Other Income (applicable only to the 1040 form)
  - Net operating loss
  - Stock Options
  - Cancellation of debt
  - Foreign Earned Income Exclusion (amt is excluded from income to arrive at total income for line 22)
  - Gambling Income
  - Other Income
  - Capital Loss
  - Business Loss
  - Other Losses

Add / Edit Additional Income

Business Income

How much do you get from this income source, before taxes? *

- Select -
  - Hourly
  - Weekly
  - Bi-weekly (Every two weeks)
  - Twice a Month
  - Monthly (Once a month)
  - Quarterly (4x a year)

Amount: $30,500

How Often:
- Annual (Once a year)
Use either “Click here” or “Add Deduction” to enter Deductions

Deductions

If you or your family members pay for certain things that can be deducted on a federal income tax return, telling us about them will help the Marketplace accurately determine you and your family’s income.

Do not include deductions such as charitable contributions, home mortgage interest, property taxes, or child care expenses. You also should not enter a deduction that is already considered a cost or expense as part of your business. Only include deductions that are part of your adjusted gross income on the tax return. If you are expecting any capital losses in 2015, you can enter this amount as “Other Adjustments” in this section.

Click on Add Deduction to tell us if anyone pays for things like alimony, student loan interest, or any other deductions that will be taken on your tax return in the upcoming year. Click on Edit Deduction to change the amount that you will list as a deduction on your federal income tax return. Click on Remove Deduction to delete this deduction.

If you do not have any deductions, check the box next to your name.

Beatrice Williams

☐ Beatrice will not claim any deductions in 2015

Click here to add deductions for Beatrice.

Next
What are the Deductions Specific to Self-Employment?

Educator expenses
IRA deduction
Student loan interest deduction
Tuition & fees
Certain business expenses (reservists, artists, f-B gov’t offls)
Health savings account deduction
Moving expenses

Deductible part of Self-Employment (S/E) tax
S/E SEP, SIMPLE, & qualified plans
S/E health insurance deduction

Penalty on early withdrawal of savings
Alimony paid
Domestic production activities deduction
Additional adjustments added on line 36 (1040 only)
Archer MSA deduction

Other adjustments

1040 Line 27
1040 Line 28
1040 Line 29
Special Instructions for entering “Business Loss”

• Assistors should help consumers to report a business loss in the “Deductions” section of the application as “Other adjustments”.
Add / Edit Deductions

What type of deduction will this person be claiming on their taxes in 2015? *

---Select Deduction Type---
- Educator expenses
- IRA deduction
- Student loan interest deduction
- Tuition & fees
- Certain business expenses (reservists, artists, f-B govt & offl)
- Health savings account deduction
- Moving expenses
- Deductible part of Self-Employment (S/E) tax
- S/E CPE, SIMPL, & qualified plans
- S/E health insurance deduction
- Penalty on early withdrawal of savings
- Alimony paid
- Domestic production activities deduction
- Additional adjustments added on line 36 (1040 only)
- Archer MSA deduction
- Other adjustments

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Click on Add Deduction to tell us if anyone pays for things like alimony, student loan interest, or any other deductions that will be taken on your tax return in the upcoming year. Click on Edit Deduction to change the amount that you will list as a deduction on your federal income tax return. Click on Remove Deduction to delete this deduction.

If you do not have any deductions, check the box next to your name.

<table>
<thead>
<tr>
<th>Deduction</th>
<th>Amount</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>S/E health insurance deduction</td>
<td>$500.00</td>
<td>Remove Deduct</td>
</tr>
</tbody>
</table>
Beatrice Williams

Self Employed - Owns Beatrice’s Best Cleaning

• New Business
• Needs to build income

• Wants to report that her business is seasonal
To enter income as inconsistent/seasonal, do not mark “Self employed”. Enter information on the screen as requested and hit “next”.

Add Job / 1099 Income

Employer / Company Name *
Beatrice’s Best Cleaning

D/B/A Name
Employer DBA Name

☐ Self employed Leave blank

Employer / Business Address

Address Line 1 *
100 Broadway

Address Line 2

City *
Albany

ZIP Code *
12203

State *
NEW YORK
Edit Job / 1099 Income

Step 1. Employer Details > Step 2. Add Income

Beatrice’s Best Cleaning
100 Broadway,
Albany NY, 12203

Do you expect this income to be steady month-to-month or inconsistent / seasonal? *
- Steady
- Inconsistent / Seasonal

Tell us the estimated start and end dates. Write in how much is earned from this job during this time period, including tips or commission, **before taxes**. *

<table>
<thead>
<tr>
<th>Amount</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000</td>
<td>04-01-2016</td>
<td>10-31-2016</td>
</tr>
</tbody>
</table>

[Add another income schedule]
Summary of How to Enter Self-Employment Income

1. Income from a job
   • Mark “Self employed”
   • Complete 3 month business record

2. Additional Income

3. Income from a job
   • Do not mark “Self employed”
   • Mark “Inconsistent/Seasonal”
Poll Question #2

Based on our special instructions, if Bob is Self-Employed and needs to enter a business loss in his application, he should enter the loss as

A. a negative number under “Total Business Expenses” on the 3 month worksheet.

B. a positive number under “Additional Income” marked as “Business Loss”

C. a positive number under “Deductions” marked as “Deductible part of Self-Employment S/E Tax”.

D. a positive number under “Deductions” marked as “Other Adjustments”.

![Image of a person holding an "Open" sign]
What Type of Documentation is Acceptable?

**Self-Employment Income**
**(for a period of at least three (3) months)**

- Filed taxes from the previous year, if representative of attested income.
- Business records and receipts (e.g. business bank account records, invoices and checks)
- Records of earnings and expenses (from accounting software, an excel document, or word document)
- 1099
Filed taxes from the previous year
  o The taxes from the year prior to the previous year are acceptable until the end of the tax season (normally April 15th unless it falls on a Saturday, then it is the next business day) of the current year, unless the applicant states they filed an extension with the IRS.
  o The tax return is acceptable only if the signature page is submitted and must be signed and dated by the individual.
  o The following types of signatures are acceptable:
    ➢ A handwritten tax form that is signed and dated without a paid preparer.
    ➢ A tax form signed with an electronic pin.
    ➢ If filing electronically, the consumer may also submit Form 8879 IRS efile Signature Authorization Page along with their tax return as a signature page.
    ➢ Note: A handwritten date is acceptable with an electronic signature.
    ➢ The consumer cannot sign for themselves as a paid preparer.
      ❖ For example, the consumer is an accountant and only signs the Paid Preparer field.
Examples of Acceptable Documentation

Bank Statement

Number One Bank

PERIODIC STATEMENT
Date: April 30, 2014
Period: April 01, 2014 to April 30, 2014 (30 Days)

Home Cleaning Solutions
PO Box 789
Sanitary, NY 12345

Account Type: Checking

Beginning Balance as of 4/1/14
$6,449.89

Deposits & Other Credits
$17,167.46

Checks & Other Debits
$15,578.22

Average Balance
$2,594.73

Ending Balance as of 4/30/14
$8,039.13

Charges and Fees
$10.00
2 Administrative Review Fee $111.00
3 Paid NSF Fee $111.00
3 Paid UCF Fee

Transaction Information

<table>
<thead>
<tr>
<th>Date</th>
<th>Check#</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31</td>
<td>***</td>
<td>Reversal</td>
<td>$2,075.00</td>
</tr>
<tr>
<td>4/1</td>
<td>***</td>
<td>Deposit</td>
<td>$2,075.00</td>
</tr>
<tr>
<td>4/18</td>
<td>3256</td>
<td>Paid NSF Fee AMT:$1,000.00</td>
<td>-$37.00</td>
</tr>
<tr>
<td>4/18</td>
<td>3265</td>
<td>Paid NSF Fee AMT:$100.00</td>
<td>-$37.00</td>
</tr>
<tr>
<td>4/18</td>
<td>3264</td>
<td>Paid NSF Fee AMT:$88.94</td>
<td>-$37.00</td>
</tr>
<tr>
<td>4/19</td>
<td>***</td>
<td>Administrative Review Fee</td>
<td>-$5.00</td>
</tr>
<tr>
<td>4/20</td>
<td>***</td>
<td>Administrative Review Fee</td>
<td>-$5.00</td>
</tr>
<tr>
<td>4/21</td>
<td></td>
<td>Deposit</td>
<td>$1,632.22</td>
</tr>
<tr>
<td>4/21</td>
<td>3268</td>
<td>Paid NSF Fee AMT:$245.80</td>
<td>-$37.00</td>
</tr>
<tr>
<td>4/21</td>
<td>3267</td>
<td>Paid NSF Fee AMT:$244.40</td>
<td>-$37.00</td>
</tr>
<tr>
<td>4/21</td>
<td>3266</td>
<td>Paid NSF Fee AMT:$175.60</td>
<td>-$37.00</td>
</tr>
<tr>
<td>4/28</td>
<td></td>
<td>Deposit</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>4/28</td>
<td></td>
<td>Withdrawal</td>
<td>-$1,200.00</td>
</tr>
<tr>
<td>4/30</td>
<td></td>
<td>Deposit</td>
<td>$3,305.44</td>
</tr>
</tbody>
</table>

Automated Clearing House

ACH Deposit PYMT PROC FNBO $2,997.79

IT Solutions, Inc.
Profit & Loss
January through June 2014

Ordinary Income/Expense

<table>
<thead>
<tr>
<th>Income</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4200 · Product Revenue</td>
<td></td>
</tr>
<tr>
<td>4202 · ABC Statistics</td>
<td>265.51</td>
</tr>
<tr>
<td>4201 · G.W. Bridgeman</td>
<td>720.75</td>
</tr>
<tr>
<td>4200 · Product Revenue - Other</td>
<td>55.00</td>
</tr>
<tr>
<td>Total 4200 · Product Revenue</td>
<td>1,041.26</td>
</tr>
<tr>
<td>4100 · Service Revenue</td>
<td>17,983.75</td>
</tr>
<tr>
<td>Total Income</td>
<td>19,025.01</td>
</tr>
</tbody>
</table>

Cost of Goods Sold

<table>
<thead>
<tr>
<th>Costs</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000 · Project Related Costs</td>
<td>51.99</td>
</tr>
<tr>
<td>5300 · Solution Products Cost</td>
<td>51.99</td>
</tr>
<tr>
<td>Total 5000 · Project Related Costs</td>
<td>51.99</td>
</tr>
<tr>
<td>Total COGS</td>
<td>51.99</td>
</tr>
</tbody>
</table>

Gross Profit

$18,973.02

Expense

<table>
<thead>
<tr>
<th>Business Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6104 · Online Sale Service</td>
<td>120.00</td>
</tr>
<tr>
<td>6105 · Online Sale Service</td>
<td>220.80</td>
</tr>
<tr>
<td>Total Business Service</td>
<td>340.80</td>
</tr>
<tr>
<td>6100 · Advertising Expense</td>
<td>656.92</td>
</tr>
<tr>
<td>6155 · Dues and Subscriptions</td>
<td>250.00</td>
</tr>
<tr>
<td>6180 · Insurance</td>
<td>6180 · Professional Liability Ins</td>
</tr>
<tr>
<td>Total 6100 · Insurance</td>
<td>7,184.13</td>
</tr>
<tr>
<td>6230 · Marketing</td>
<td>996.00</td>
</tr>
<tr>
<td>6250 · Office Equipment Software</td>
<td>287.09</td>
</tr>
<tr>
<td>Total 6250 · Office Equipment</td>
<td>287.09</td>
</tr>
<tr>
<td>6310 · Office Supplies</td>
<td>240.55</td>
</tr>
<tr>
<td>6270 · Professional Development</td>
<td>69.95</td>
</tr>
<tr>
<td>6295 · Instructional Services</td>
<td>4,066.32</td>
</tr>
<tr>
<td>Total Rent</td>
<td>4,086.32</td>
</tr>
<tr>
<td>6330 · Travel &amp; Entertainment</td>
<td>57.50</td>
</tr>
<tr>
<td>6336 · Travel &amp; Entertainment</td>
<td>33.50</td>
</tr>
<tr>
<td>6339 · Travel &amp; Entertainment</td>
<td>24.00</td>
</tr>
<tr>
<td>Total 6330 · Travel &amp; Entertainment</td>
<td>57.50</td>
</tr>
<tr>
<td>Net Ordinary Income</td>
<td>11,788.89</td>
</tr>
</tbody>
</table>

Net Income

$11,788.89
What Documentation is not Acceptable?

Financial Status (Farm or Business)

DOH-4469
Summary Review

• Who are the Self Employed
• Types of Self Employment
• How to Locate Self Employment on a Tax Return
• Where to Enter Self Employment Income in the Application
• Documentation Requirements
Poll Question #3

Bob doesn’t have accounting software and doesn’t file taxes, what would be acceptable documentation for him to submit for income verification?

A. Profit & Loss Statement  
B. Receipts for Income and Expenses  
C. Bank statements  
D. 1099  
E. All and/or a combination of the above
Questions?
We’re here to help!

CACMail@health.ny.gov
• Eligibility Assistance
• Application Errors
• Technical/System Issues with an Application
• Document Review Assistance

Assistor.Admin@health.ny.gov
• Staff Changes
• Assistor Account Issues
• Training/Recertification
Reminder: Recertification Process

• Assistors must attend or view each NY State of Health Recertification Webinar in order to be recertified on NY State of Health.

• Please use the following link to report that you have viewed this 
  https://www.surveymonkey.com/r/Assistor_Reporting_Self-Employment

• If you are unable to access Survey Monkey, please have your supervisor contact Assistor.Admin@health.ny.gov and NYSDOH will send your supervisor the manual process for recertification reporting.
Previous NY State of Health Assistor Recertification Reporting Surveys

https://www.surveymonkey.com/r/Assistor_Reporting_Special_Populations_1
https://www.surveymonkey.com/r/Assistor_Reporting_Special_Populations_2
https://www.surveymonkey.com/r/Assistor_Reporting_Household_Composition
https://www.surveymonkey.com/r/Assistor_Reporting_Immigration
https://www.surveymonkey.com/r/Assistor_Reporting_Understanding_the_Uninsured
https://www.surveymonkey.com/r/Assistor_Reporting_How_to_Select_a_Health_Plan
https://www.surveymonkey.com/r/Assistor_Reporting_Self-Employment
Thank you for joining us!

- Watch for surveys
  - Recertification Evaluation of Webinar: Self Employment
  - NY State of Health Assistor Recertification Reporting – Self Employment
- Watch for the video to be posted to http://info.nystateofhealth.ny.gov/SpringTraining

**Next Recertification Training:**
**Title:** Basic Health Plan (BHP) – NY State of Health Essential Plan - 1
**Date:** October 7, 2015