Social Security Handbook

Social Security Online

1811. What types of income count under the earnings test?

The following types of earnings count for earnings test purposes:

A. All wages for employment covered by Social Security (see Chapter 13);

B. All cash pay (even if not considered as "wages" under the cash-pay test explained in §901 and §1303) for:

   1. Agricultural work;

   2. Domestic work in a private home; or

   3. Service not in the course of the employer's trade or business;

C. All pay, cash and non-cash, for work as a homeworker or for a nonprofit organization whether or not the $100 per year test is met (see §931);

D. Cash tips that equal or exceed $20 a month (see §1329);

E. All pay for work not covered by Social Security, if the work is done in the U.S., including pay for:

   1. Family employment;

   2. Work by students, student nurses, interns, newspaper and magazine vendors;

   3. Work for Federal or State or foreign governments or instrumentalities; or

   4. Work covered by the Railroad Retirement Act;

F. All net earnings from self-employment;

G. All pay for incentive, suggestion, and outstanding work awards;

H. All pay for occasional and regular bonuses;

I. All pay from a "cafeteria" plan if the payments meet the definition of wages and the plan is not a "qualified benefit";

J. All pay from a non-qualified deferred compensation plan/system;

K. All pay by an employer for educational assistance;

L. All pay from federally sponsored economic and human development programs only if payments are wages;

M. All pay for non-work periods including idle time, standby, and subject to call related payments;

N. All pay for prizes, awards and gratuities only if it is part of the salesperson's wage structure; and

O. All pay from television, radio and motion picture residuals if the performer was an employee at the time of the original performance.

Last Revised: Nov. 30, 2010

USA.gov

Privacy Policy |Website Policies & Other Important Information |Site Map
Last reviewed or modified Thursday Dec 02, 2010

NeedLargerText?