

# S & C Corp. Calculator

## Items needed to verify the calculation

- IRS FORM 941 and State and Quarterly Wage Unemployment Insurance
  - Or Equivalent Payroll Processor Records
- Payroll Statement or similar documentation from the pay period that covered Feb 15, 2020 to establish you were in operation on February 15, 2020
- Filed Business Tax Returns IRS Form 1120 or 1120S or other documentation to verify information listed below if used to calculate payroll amount
  - Retirement or Group Health
  - Life Insurance
  - Disability Insurance
  - Vision and/or Dental Insurance

**YOU CAN CHOOSE EITHER 2019 OR 2020 FOR YOUR ITEMS BELOW  
YOU MUST USE THE SAME YEAR FOR ALL ITEMS**

	PAYROLL - IRS FORM 941 LINE 5 C - COLUMN 1 FOR ALL QUARTERS IN YEAR
+	
	PRE-TAX EMPLOYEE CONTRIBUTIONS FOR HEALTH INSURANCE OR OTHER FRINGE BENEFITS EXCLUDED FROM TAXABLE MEDICARE WAGES AND TIPS
-	
	MINUS ANY AMOUNT PAID TO AN INDIVIDUAL EMPLOYEE IN EXCESS OF \$100,000 AND ANY EMPLOYEE WHOSE PRINCIPAL RESIDENCE IS OUTSIDE OF THE UNITED STATES
+	
	EMPLOYER CONTRIBUTIONS FOR EMPLOYEE GROUP HEALTH, LIFE, DISABILITY, VISION, AND DENTAL INSURANCE PORTION OF IRS FORM 1120 LINE 24 OR 1120-S LINE 18 ATTRIBUTABLE TO THESE CONTRIBUTIONS
+	
	EMPLOYER RETIREMENT CONTRIBUTIONS IRS FORM 1120 LINE 23 OR 1120-S LINE 17
+	
	EMPLOYER STATE & LOCAL TAXES ASSESSED ON EMPLOYEE COMPENSATION, PRIMARILY STATE UNEMPLOYMENT INSURANCE. LOCATED ON STATE QUARTERLY WAGE REPORTING FORMS
=	
	ANNUAL ELIGIBLE PAYROLL COST
/12	DIVIDE BY 12 MONTHS
	AVERAGE MONTHLY PAYROLL TO ENTER ON APPLICATION
x 2.5 or 3.5	3.5 IS FOR ACCOMMODATION AND FOOD SERVICE ONLY
	LOAN REQUEST AMOUNT TO ENTER ON APPLICATION

Please note: this tool sheet is for estimation calculations only.

# Self Employed with Employees

## Items needed to verify the calculation

- 1040 Schedule C Used to Calculate (2019 or 2020)
- IRS FORM 941 and State & Quarterly Wage Unemployment Insurance or equivalent payroll processor records
- Payroll Statement or similar documentation from the pay period that covered Feb 15, 2020 to establish you were in operation on February 15, 2020
- Documentation of any of the below if used to calculate payroll amount.
  - Retirement or Group Health
  - Life and/or Disability Insurance
  - Vision and/or Dental Insurance

**YOU CAN CHOOSE EITHER 2019 OR 2020 FOR YOUR ITEMS BELOW  
YOU MUST USE THE SAME YEAR FOR ALL ITEMS**

	ANNUAL NET INCOME	1040 SCHEDULE C LINE 31	IF OVER 100,000 = 100,000 IF LESS THAN ZERO = ZERO
+			
		PAYROLL - IRS FORM 941 LINE 5 C - COLUMN 1 FOR ALL QUARTERS IN YEAR	
+			
		PRE-TAX EMPLOYEE CONTRIBUTIONS FOR HEALTH INSURANCE OR OTHER FRINGE BENEFITS EXCLUDED FROM TAXABLE MEDICARE WAGES AND TIPS	
-			
		ANY AMOUNT PAID TO AN INDIVIDUAL EMPLOYEE IN EXCESS OF \$100,000 AND ANY EMPLOYEE WHOSE PRINCIPAL RESIDENCE IS OUTSIDE OF THE UNITED STATES	
+			
		EMPLOYER CONTRIBUTIONS FOR EMPLOYEE GROUP HEALTH, LIFE, DISABILITY, VISION, AND DENTAL INSURANCE THE PORTION OF IRS FORM 1040 SCHEDULE C LINE 14 ATTRIBUTABLE TO THESE CONTRIBUTIONS	
+			
		EMPLOYER CONTRIBUTIONS TO EMPLOYEE RETIREMENT PLANS IRS 1040 SCHEDULE C LINE 19	
+			
		EMPLOYER STATE & LOCAL TAXES ASSESSED ON EMPLOYEE COMPENSATION, PRIMARILY STATE UNEMPLOYMENT INSURANCE. LOCATED ON STATE QUARTERLY WAGE REPORTING FORMS	
=			
		ANNUAL ELIGIBLE PAYROLL COST	

/12	DIVIDE BY 12 MONTHS
	AVERAGE MONTHLY PAYROLL TO ENTER ON APPLICATION
X 2.5 or 3.5	3.5 IS FOR ACCOMMODATION AND FOOD SERVICE ONLY
	LOAN REQUEST AMOUNT TO ENTER ON APPLICATION

Please note: this tool sheet is for estimation calculations only.

# Self Employed - No Employees

**Directions to complete payroll calculation:**

**Step 1:** Find your 2019 or 2020 IRS Form 1040 Schedule C line 31 net profit amount.

- If this amount is over \$100,000, reduce it to \$100,000.
- If this amount is zero or less, you are not eligible for a PPP loan.

**Step 2:** Calculate the average monthly net profit amount (divide the amount from Step 1 by 12).

**Step 3:** Multiply the average monthly net profit amount from Step 2 by 2.5

**Note:** Multiply by 3.5 if your business is in the Accommodation and Food Services sector (NAICS Code 72) AND the business activity code reported on your most recent IRS Form 1040 Schedule C line B begins with 72 Multiply by 3.5.

**Items needed to verify the calculation**

- 1040 Schedule C Used to Calculate (2019 or 2020)
- 1099 Forms (2019 or 2020)
- Bank statement, invoice, or Book of Record establishing you were in operation on Feb. 15, 2020

	2019 or 2020 Net Income	1040 Schedule C Line 31	IF OVER 100,000 = 100,000 IF LESS THAN ZERO = ZERO
/12	DIVIDE BY 12 MONTHS		
	AVERAGE MONTHLY PAYROLL TO ENTER ON APPLICATION		
x 2.5 or 3.5	3.5 IS FOR ACCOMMODATION AND FOOD SERVICE ONLY		
	LOAN REQUEST AMOUNT TO ENTER ON APPLICATION		

Please note: this tool sheet is for estimation calculations only.