

04 Self Employment Definition

Self employment is defined as the act of controlling the hours and manner in which work is performed for oneself. Self employment includes, but is not limited to the following situations:

- Working for oneself
- Engaging in an occupation for oneself
- Engaging in an activity for others that provides income when the manner in which work is performed is controlled by the individual performing the work

Self employment income is income earned directly from a participant's own business, trade, or profession.

(See [Self Employment Types](#) for additional policy and procedures)

Self employed participants may or may not incur identifiable costs of producing self employment income.

Consider a participant self employed when ANY of the following are met:

- No employer - employee relationship exists. This occurs when the person performing the service, or providing the merchandise, controls the hours and manner in which the work is performed. (See Example [Self Employment 1](#))
- Income is received directly from one's own recognizable business, trade, or profession. This may include income from odd jobs or from irregular and varied activities. (See Example [Self Employment 2](#))
- The participant works for a business or another individual on a commission basis, but pays his own withholding taxes for state, federal, and FICA. (See Example [Self Employment 3](#))