

SEI TYPE OF EMPLOYMENT

What are the four Business Ownership Types of SEI?

And what do they mean?

A screenshot of a dropdown menu for Business Ownership Type. The menu is open, showing four options: PP - PARTNERSHIP, SC - S CORPORATION, SP - SOLE PROPRIETORSHIP, and UN - UNKNOWN. The dropdown is part of a form with other fields like 'Seq' and 'Wands Unlimited' visible.

I. Partnership (PP)

- This is a limited liability corporation (LLC) with more than one owner
- Form 1065 and Schedule K 1 (1065) are requested for this type of business
- **Worksheet f-16036** is required for this business type

A screenshot of the CARES Worker Web Self-Employment form. The form is titled 'Self-Employment' and contains various fields for business information. The 'Business Ownership Type' is set to 'PP - PARTNERSHIP' and the 'Business Type' is 'ST - SKILLED TRADE'. The 'Effective Period' is from 07/2019 to MM/YYYY. The 'Tax/SEIRF Form' is 'Form 1065 and Schedule K-1' and the 'Tax/SEIRF Form Verification' is '? - NOT YET VERIFIED'. The 'SEIRF Begin Month' is MM/YYYY and the 'SEIRF End Month' is MM/YYYY. The 'Monthly Hours' are 160. The 'Verification' status is '? - NOT YET VERIFIED'. The 'Business Name' is 'WANDS UNLIMITED' and the 'Sequence' is 1. The 'Business Tax ID' is empty. The 'When did this business begin?' is 01/2018. The 'Has this business filed taxes?' is 'Y - Yes'. The 'Has a significant change in business occurred?' is 'N - NO'. The 'Actively engaged in managing this business?' is 'Yes'. The 'Most Recent Tax Year Filled for Business' is 2018. The 'Significant Change Month' is empty. The 'Display Tax/SEIRF Results' button is visible. The 'Navigation Menu' on the left includes 'Search', 'Inbox Search', 'Unlinked Documents', 'RFA / Case', 'Client Registration (0)', 'Case Summary', 'Case Comments', 'Expected Changes', 'Application Entry (2)', 'Case Information', 'Individual Demographics', 'Benefits/School', 'Individual Non Financial', 'Other Health Care Programs', 'Asset Information', 'Employment Queries', 'Employment', 'Summary', 'Gatepost', 'Monthly SWICA (HC Only)', 'Monthly FDSH (HC Only)', 'Employment', and 'Loss of Employment'. The 'Status' is 'Pending' and the 'Mode' is 'Intake'. The 'Last Updated' is 07/09/2019. The 'Total' is 1.

II. S Corporation (SC)

- An S Corp is an LLC with more than one owner as well
- Form 1120S and Schedule K-1 (1120S) are requested
- **Worksheet [F-16035](#) is required for S Corps.**
- The major difference in an S Corp and a Partnership is the employment status of owners who work in the business:
 - a. With a Partnership, the business owners are not considered employees – they share in the profits (or losses) of the business and do not draw a salary
 - b. With an S Corp, if a partner does more than minor services for the company, they can draw a salary and be compensated for their time (note that we must include the owner's salary as EI if this is the case)
 - c. The advantage to the owners is they can take money out of the business without paying employment taxes.

The screenshot displays the CARES Worker Web interface for a Self-Employment case. The browser address bar shows the URL: <https://trn.cares.wisconsin.gov/>. The page header includes the user ID (XDA450), user name (J COOK), and quick select (CASE/RFA). The status is Pending and the mode is Intake. The date is 07/09/2019. The navigation menu on the left includes options like Search, RFA/Case, and Employment. The main content area is titled 'Self-Employment' and contains the following information:

Self-Employment Information	
Effective Period	
* Begin Month: 07 / 2019	End Month: MM / YYYY
Delete Reason: [Dropdown]	
Additional Information	
* Individual: [Redacted]	Sequence: 1
Business Name: WANDS UNLIMITED	* Business Tax ID: [Redacted]
* Business Ownership Type: SC - S CORPORATION	
* Business Type: ST - SKILLED TRADE	
* When did this business begin?: 01 / 2018	
* Has this business filed taxes?: Y - Yes	Most Recent Tax Year Filled for Business: 2018
* Has a significant change in business occurred?: N - NO	Significant Change Month: / /
Actively engaged in managing this business?: Yes	
Monthly Hours: 160	Verification: ? - NOT YET VERIFIED
Tax/SEIRF Verification Details	
Tax/SEIRF Form: Form 1120S and Schedule F	Tax/SEIRF Form Verification: [Dropdown]
Number of Months for Average: 12	
Number of SEIRF Months: [Redacted]	
SEIRF Begin Month: MM / YYYY	SEIRF End Month: MM / YYYY

III. Sole Proprietorship (SP)

- The member is the sole owner of the business
- This will be the majority of SEI cases
- We request all tax schedules and forms for this business type and update the field when the schedules are returned (Schedule C, C-EZ, D, E, F and/or 4797)

https://trn.cares.wisconsin.gov/ - CARES Worker Web - Self-Employment - Internet Explorer

CARES Worker Web User ID: XDA450 User Name: J COOK Quick Select: CASE/RFA Go Help Logout

Primary Person: [REDACTED] Status: Pending Mode: Intake 07/09/2019

Action Items (1) Documents (0) Discrepancies (0) Work Items (2)

Navigation Menu

- Search
 - CARES Home
 - Search
 - Inbox Search
 - Unlinked Documents
- RFA / Case
 - Client Registration (0)
 - Case Summary
 - Case Comments
 - Expected Changes
 - Application Entry (2)
 - Case Information
 - Individual Demographics
 - Benefits/School
 - Individual Non Financial
 - Other Health Care Programs
 - Asset Information
 - Employment Queries
 - Employment
 - Summary
 - Gatepost
 - Monthly SWICA (HC Only)
 - Monthly FDSH (HC Only)
 - Employment
 - Loss of Employment

Self-Employment

Cancel [] Reset

Total: 1

Self-Employment Information

Effective Period

* Begin Month: 07 / 2019 End Month: MM / YYYY Last Updated: 07/09/2019

Delete Reason: []

Additional Information

* Individual: [REDACTED] Sequence: 1

Business Name: WANDS UNLIMITED *Business Tax ID: []

* Business Ownership Type: SP - SOLE PROPRIETORS

* Business Type: ST - SKILLED TRADE

* When did this business begin? 01 / 2018

* Has this business filed taxes? Y - Yes Most Recent Tax Year Filled for Business: 2018

* Has a significant change in business occurred? N - NO Significant Change Month: [] / []

Actively engaged in managing this business? Yes

Monthly Hours: 160 Verification: ? - NOT YET VERIFIED

Tax/SEIRF Verification Details Display Tax/SEIRF Results

Tax/SEIRF Form: All Sole-Prop Schedules Tax/SEIRF Form Verification: []

Number of Months for Average: 12

Number of SEIRF Months: []

SEIRF Begin Month: MM / YYYY SEIRF End Month: MM / YYYY

Details and Summary

IV. Unknown (UN)

- Use this code if the member is unsure of their SEI business ownership type, or if the individual did not provide this information (worker could attempt to call and clarify this)
- This will generate a VCL to request all tax forms and schedules rather than specific forms, worker must update the SEI business ownership type once verification is received

V. C Corps

- This is no longer a business ownership type
- Corporation income is no longer budgeted as self-employment income
- Any wages or salaries that the member receives from the corporation will still be budgeted as EI (Ops Memo 19-J4)

References:

Process Help 16.2 <https://prd.cares.wisconsin.gov/help/ph/ph.htm>

Ops Memo 19-J4 <https://www.dhs.wisconsin.gov/dms/memos/ops/dms-ops-2019-j4.pdf>