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the members of that individual’s family.

(c) We do not apply the rules in this section if the non-agricultural services are performed in connection with a trade or business separate and distinct from the agricultural trade or business. A roadside automobile service station on a farm is a trade or business separate and distinct from the agricultural trade or business, and the gross income from the service station, less the deductions attributable to it, is to be considered in determining net earnings from self-employment.

(d) We consider a sharefarmer (see § 404.1068(c)) or a materially participating owner or tenant (see § 404.1082(c)) to be engaged in an agricultural trade or business. We use the rules in this section to determine whether a farm crew leader who is self-employed (see §404.1074) is engaged in an agricultural trade or business.

§ 404.1096 Self-employment income.

(a) General. Self-employment income is the amount of your net earnings from self-employment that is subject to social security tax and counted for social security benefit purposes. The term self-employment income means the net earnings from self-employment you derive in a taxable year, except as described in paragraphs (b), (c) and (d) of this section.

(b) Maximum self-employment income.

(2) For the purpose of this paragraph the term wages includes remuneration paid to an employee for services covered by an agreement entered into under section 218 of the Act, or an agreement entered into under section 3121(f) of the Code, which would be wages under section 209 of Act if the services were considered employment under section 210(a) of the Act.

(c) Minimum net earnings from self employment. (1) Self-employment income does not include your net earnings from self-employment when the amount of those earnings for the taxable year is less than $400. If you have only $300 of net earnings from self-employment for the taxable year you would not have any self-employment income. (Special rules apply if you are paid $100 or more and work for a church or church-controlled organization that has exempted its employees (see §404.1068(f)).

(2) If you have net earnings from self-employment of $400 or more for the taxable year you may have less than $400 of creditable self-employment income. This occurs where your net earnings from self-employment is $400 or more for a taxable year and the amount of your net earnings from self-employment plus the amount of the wages paid to you during that taxable year exceed the maximum creditable earnings for a year. For example, if you had net earnings from self-employment of $1,000 for 1978, and were also paid wages of $17,500 during 1978, your creditable self-employment income for 1978 would be $200.

(d) Nonresident aliens. A nonresident alien has self-employment income only if coverage is provided under a totalization agreement [see §404.1913]. We do not consider an individual who is a resident of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the
Social Security Administration

§ 404.1201 Scope of this subpart regarding coverage and wage reports and adjustments.

This subpart contains the rules of SSA about:

(a) Coverage under section 218 of the Act—
   (1) How a State enters into and modifies an agreement; and
   (2) What groups of employees a State can cover by agreement.

(b) Contributions, wage reports, and adjustments—for wages paid prior to 1987—
   (1) How a State must identify covered employees and what records it must keep on those employees;
   (2) Periodic reviews of the source records kept on covered employees;
   (3) How and when a State must report wages and pay contributions;
   (4) What the State’s liability for contributions is and how SSA figures the amount of those contributions;
   (5) What happens if a State fails to pay its contributions timely;
   (6) How errors in reports and contribution payments are corrected;
   (7) How overpayments of contributions are credited or refunded;
   (8) How assessments are made if contributions are underpaid; and

with the phrase ‘‘—for wages paid prior to 1987.’’