

# Compensation Quick Reference

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Entity Type	Source of Income	Compensation for Plan*
Corporation	W-2	W-2
S-Corporation	W-2 + Schedule K-1 (Form 1120-S)	W-2 only. K-1 is disregarded
Sole Proprietorship	Schedule C	Earned income (calculate)**
Partnership	Schedule K-1 (Form 1065)	Earned income (calculate)**

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\*Capped at \$280,000 per year (2019 limit. Indexed for inflation.)

\*\*Net income, less certain adjustments, such as 1/2 of self-employment tax.