



Name of the Client: _____

Year: _____

PSI Questionnaire

Income which is mainly a reward for an individual's personal efforts or skills is the individual's personal services income (PSI) regardless of whether it is income of another entity such as a company, partnership or trust.

Is the income from:	Yes*	No**
Sale of goods/trading stock?		
Passive investments (rental properties, shares etc.)?		
Use of assets (such as operating a bulldozer)?		
Granting of a right to use property (copyright to a computer program)?		
A business structure (such as multiple associates/employees working together, such as in a large professional practice)?		

*If **YES** to any of the above, then the income is not PSI. Do not complete anything over the page.

If **NO to all of the above, then income is likely to be PSI. However, income from the conduct of a genuine personal services business (PSB) is exempt from the PSI regime. Therefore, it should be determined whether a PSB is being carried on.

PSI/PSB Assessment Checklist

CHECKLIST FOR SELF-ASSESSMENT OF PERSONAL SERVICES BUSINESS EXCEPTION TEST

A. The Results Test will be met by passing <u>all</u> of the following (for at least 75% of the individual's personal services income):	Yes	No
➤ Under the contractual arrangement is the personal services income paid to achieve a specified result or outcome?		
➤ Does the entity need to provide its own tools or equipment necessary to do the work? (if no tools or equipment are required, the answer is 'NO')		
➤ Is the entity liable for rectifying defects in the work?		
If 'YES' for all of the above, the individual satisfies the Results Test and you do not need to go any further (because you will qualify for the personal services business exception).		
Otherwise proceed to B.		

B. Is less than 80% of the individual's Personal Services Income from one source? (‘one source’ includes related entities)	Yes	No
If 'NO', go no further on this checklist. Your client cannot self-assess; you must seek a Commissioner's Determination to establish the individual's status as a personal service business.		
If 'YES' proceed to C.		

C. If the individual satisfies any one of the following tests you will satisfy the personal service business exception test:

i) Unrelated Clients Test	Yes	No
➤ Are services provided to two or more clients? (clients must be unrelated to each other and the entity) AND		
➤ Are the services are provided as a direct result of the entity advertising to the public or a section of the public?		
If 'YES', the Unrelated Clients Test will be satisfied.		

ii) Employment Test	Yes	No
➤ The entity engages one or more other entities to perform work (it employs individuals as employees; or engages individuals or other entities, i.e. companies, trusts or partnerships, in a subcontracting capacity) AND (either of the following apply)		
➤ The other entity (or entities) together perform at least 20% (by market value) of the first entity's principal work for that year		
OR		
➤ The entity has one or more apprentices for at least half of the income year.		
If 'YES', the Employment Test will be satisfied.		

iii) Business Premises Test	Yes	No
➤ The entity maintains and <u>uses</u> business premises, at all times during the year AND the business premises meet all the following requirements:		
➤ The business premises are used mainly by the entity to conduct the activities which generate the Personal Services Income AND		
➤ The entity has exclusive use of those business premises AND		
➤ The business premises are physically separate from any premises used for private purposes by the entity or an associate AND		
➤ The business premises are physically separate from any premises of the client and the client's associate(s).		
If 'YES', the Business Premises Test will be satisfied.		
<p>If you have satisfied any one of the Unrelated Client Test, the Employment Test, or the Business Premises Test, then the individual will satisfy the Personal Services Business Test.</p> <p>If you have not satisfied any one of these three tests in Part C, the individual does not satisfy the Personal Service Business Test. You must seek a personal business determination from the Commissioner in order for the individual's personal services income to be treated as from a personal services business.</p>		

Client's Signature : _____

Name of the Client : _____

Date: _____