

## DETERMINING HOURLY WAGE (Using Tax Forms / FCCH OWNER)

How to calculate hourly wage as a Family Child Home Owner/Operator using Tax forms.

1. Determine your annual salary  
IRS 1040 Line 11 Adjusted Gross income and  
IRS 1040C Line 31 Net Profit or Loss Statement (if applicable)
2. Determine the number of hours worked in a year.  
Calculate the number of hours the business is open each day. Add the number of hours per day spent on additional business activities. Total hours worked each day times the number of days worked in the year.
3. Divide your annual salary by the number of hours worked in a year

### Example

If your adjusted gross income is \$27,000 (any individual income including any profit or loss of the business.) Spousal income can be removed from the calculation.

If your site is open from 7 am until 6 pm you are open 11 hours per day. If you spend 1 hour per day on additional activities (ex. Cleaning, shopping, preparing lesson plans, attending training for your site while children are not in attendance) you are working a total of 12 hours per day.

If your site is open Monday – Friday and you take 2 weeks of vacation you are operating for 5 days a week for 50 weeks, you are open 250 days a year. Your hourly wage is \$9.00 per hour.

### Calculation

$\$27,000 / 3,000$  (12 hours per day x 250 days a year) = \$9.00 per hour

## Calculating Hourly Wage using most recent Tax Documents

When applying for the CSC STAR Award as an owner of a family child care home that does not receive a regular salary payment from the business you are required to calculate your hourly wage for eligibility. To accurately calculate hourly wage, you must include copies of the most recent year's filed IRS tax documents 1040 and Schedule C (Form 1040) with your application.

NAME: \_\_\_\_\_ PROVIDER ID: \_\_\_\_\_ TAX YEAR: \_\_\_\_\_

### CALCULATE INCOME (using IRS 1040 & Schedule C-Form 1040)

<b>Total Income</b>	
<b>Adjusted Gross Income – Line 11</b>	
<b>or Net Profit or Loss – Line 31</b>	\$

### CALCULATE HOURS WORKED

<b>Time Open</b>	
<b>Time Closed</b>	
<b>Add any additional hours per day</b>	
<b><u>Total Hours per day</u></b>	
<b># of days open per week</b>	
<b># of weeks open per year</b>	
<b><u>Total number of days per year</u></b>	
<b>(total hours x total days)</b>	
<b><u>Total hours for year</u></b>	

### CALCULATE HOURLY WAGE

<b>Total Income</b>	\$
<b>Total Hours for Year</b>	
(total income divided by total hours)	
<b>Hourly Wage</b>	\$

**ELC ONLY**  
ELC STAFF: \_\_\_\_\_  
DATE: \_\_\_\_\_

I \_\_\_\_\_ attest that this is an accurate calculation of income, expenses and hours worked as the owner/operator of \_\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Date)

Upload completed form and Tax forms to CSC STAR Award Application.