

1 Department of Economic Security

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3 Adopted Permanent Rules Relating to Economic Security; Wages

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5 Rules as Adopted

6 3315.0210 TYPES OF WAGES, GENERALLY.

7 Wages include the monetary value of:

8 [For text of items A to D, see M.R.]

9 E. Any payments made by a subchapter "S" corporation
10 to or on behalf of officers and shareholders which is reasonable
11 compensation for services performed for the corporation and
12 which the department shall treat as wages for contribution
13 purposes, except as provided in subitems (1) to (5). An "S"
14 corporation is a corporation that is organized under the rules
15 of subchapter S of the Internal Revenue Code of 1986.

16 "Wages" does not include:

17 (1) a distribution of earnings and profits which
18 is in excess of any payment treated as wages as defined in this
19 item;

20 (2) a loan for business purposes to an officer or
21 shareholder evidenced by a promissory note signed by an officer
22 before the payment of the loan proceeds and recorded on the
23 books and records of the corporation as a loan to an officer or
24 shareholder;

25 (3) a repayment of a loan or payment of interest
26 on a loan made by an officer to the corporation and recorded on
27 the books and records of the corporation as a liability of the
28 corporation;

29 (4) a reimbursement of reasonable corporation
30 expenses incurred by an officer and documented by a written
31 expense voucher and recorded on the books and records of the
32 corporation as corporate expenses; and

33 (5) a reasonable lease or rental payment to an
34 officer who owns property which is leased or rented to the
35 corporation.

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[For text of items F to O, see M.R.]