



# Tiered Compensation Plan



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# ERCs and SETCs

# Tiered Compensation Plan

As an Independent Consultant (IC), you accumulate earnings whenever a customer completes a coded Employee Retention Credit (ERC) file or Self Employed Tax Credit (SETC) file. This compensation is earned for each finished and signed ERC file, ending with a business receiving its credit and paying its success fee and each filed SETC where the fee has been paid by the customer.

Tax Rebate Specialists (TRS) pays earnings to ICs on five coded tiers (up to eight total coded positions) each time a customer's ERC or SETC file successfully finishes the process. We affectionately refer to this as 20-5-2-1-1.

On the 20th of every month, ICs in each coded position get paid on the ERC files or SETC files marked "Fully Paid" that are included in the monthly reconciliation file provided by our processing partner.

Our ICs only accumulate earnings when customers receive the credit and pay their invoice (i.e., success fee) to our processing partner.

INDEPENDENT CONSULTANT (IC) TIERED COMPENSATION	
<b>20-5-2-1-1</b>	
<b>20% commission</b>	You get paid on all signed and fully paid personal ERC customer files.
<b>5% override</b>	You get paid on all signed and fully paid ERC customer files by any personally sponsored Tier 1 ICs.
<b>2% bonus</b>	You get paid on all signed and fully paid ERC customer files by any coded Tier 2 ICs.
<b>1% incentive</b>	You get paid on all signed and fully paid ERC customer files by any coded Tier 3 ICs.
<b>1% bounty</b>	You get paid on all signed and fully paid ERC customer files by any coded Tier 4 ICs.

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## Independent Consultant (IC)

### Fee-based earnings for ERCs

When a business accepts the actual Employee Retention Credit, it digitally signs the fee agreement, saying it will pay the 15% success fee once it receives its check(s).

The success fee is calculated by multiplying the actual ERC amount by 15%. For example, a \$140,000 credit would result in a \$21,000 fee ( $\$140,000 \times .15 = \$21,000$ ). This fee is paid directly to our processing partner, who then pays TRS an IC commission from this fee amount.

The IC commission and other tiered compensation payouts are calculated from the service fee amount our processing partner collected, not the amount of the credit. This means that your earnings are directly linked to the service fee, not the credit amount. For example, a \$21,000 fee would result in a 20% commission (or 25% for VIPs) of \$4,200 ( $\$21,000 \times .20 = \$4,200$ ). TRS pays our ICs directly.

### Tiered earnings example

Using our company's average amount for an ERC (\$140,000), the tiered breakdown would be as follows:

- 20% commission = \$4,200
- 5% override = \$1,050
- 2% bonus = \$420
- 1% incentive = \$210
- 1% bounty = \$210

### Points

Points are awarded for signed ERCs. Each signed ERC is worth one (1) full point.

### Fee-based earnings for SETCs

TRS earnings are calculated when an eligible 1099 self-employed business owner completes the SETC process and pays their service fee to Self Employed Credits (SEC). The service fee is \$1,995 or \$1,495, depending on the years claimed.

The commission, a significant part of your earnings, is calculated by multiplying the service fee by 20% (or 25% for VIPs). For instance, a \$1,995 fee would result in a \$399 commission ( $\$1,995 \times .20 = \$399$ ). It's important to note that all service fees are paid directly to our processing partner, Self Employed Credits (SEC), who then pays TRS an IC commission from this fee amount.

The IC commission and other tiered compensation payouts are calculated from the service fee our processing partner collected, not the credit amount. TRS pays our ICs directly.

### Tiered earnings example

Using the \$1,995 service fee amount for an SETC, the tiered breakdown would be as follows:

- 20% commission = \$399
- 5% override = \$99.75
- 2% bonus = \$39.90
- 1% incentive = \$19.95
- 1% bounty = \$39.90

### Points

Points are awarded for filed SETCs. Each filed SETC is worth 1/10 of a point. Ten SETCs equals one full point.

## When do you get paid?

Each month, from the first day through 11:59p EST of the last day, we calculate all potential earnings from personal and coded signed ERC files and filed SETC files.

### ***On the 15th of each month, TRS gets paid.***

By the end of the day on the 15th of each month, our processing partner will provide TRS with a reconciliation file that includes all ERC and SETC files they have marked "Fully Paid" (i.e., invoice paid).

### ***On the 20th of each month, TRS pays ICs.***

By the end of the day on the 20th of each month, TRS will finish its own reconciliation and pay appropriate ICs for all "Fully Paid" files.

## What about partial payments?

Because an ERC amount is sometimes adjusted after the customer pays their invoice, TRS does not pay out on partial payments.

We only pay once our processing partner marks the ERC (or SETC) "Fully Paid" and includes it in our monthly reconciliation.

## What about clawbacks?

On the rare occasion when a customer is ruled ineligible after receiving their credit, and TRS has already paid out the tiered commissions, TRS reserves the right to adjust the commission amount and claw back any paid-out funds.

## What about multiple-tier payouts?

The same Independent Consultant can only occupy up to one of the five IC tiers. Therefore, TRS will pay a different IC for each of the five tiers.

The rules regarding multiple positions are in the Policies and Procedures.

**Note:** Violation of these policies is grounds for termination.

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## VIPs (Advanced ranks)

### TRS Envoy

An Independent Consultant can earn additional income and perks by achieving the VIP position of Envoy. To become an Envoy, an IC must meet the following requirements:

1. The IC must have at least 35 personal points (signed ERC customer files = 1; filed SETC files = .10)
2. The IC must have a minimum of \$5,000,000 in total ERC volume from those signed personal ERC customer files

When an IC attains the rank of Envoy, they receive the following benefits:

- An additional 5% commission on all new personal ERC and SETC customer files (listed as VIP25 in the ledger)
- Trip for two persons to the next TRS Excursion destination
- Invitations to all future TRS VIP events

ENVOY TIERED COMPENSATION

**25-5-2-1-1**

## TRS Ambassador

An Independent Consultant can earn additional income and perks by achieving the prestigious position of Ambassador. To become an Ambassador, an IC must meet the following requirements:

1. The IC must have at least five (5) personal points (signed ERC customer files = 1; filed SETC files = .10).
2. The IC must have at least 10 personally sponsored ICs with at least one (1) personal point (1 signed personal ERC customer file or 10 filed SETC files).
3. The IC must have at least 50 coded points. **Note:** These can be on any coded tier, and the 10 points in #2 count toward this total.

When an IC attains the rank of Ambassador, they receive the following benefits:

- An additional 5% commission on all new personal ERC and SETC customer files (listed as VIP25 in the ledger)
- Trip for two persons to the next TRS Excursion destination
- Invitations to all future TRS VIP events
- A new Ambassador code to build a team in
- A 2% Z1 on all the new signed ERC customer files from any ICs on any of the four tiers within the new Ambassador code
- A 2% Z1 reward on all signed ERC customer files from any new IC within the new Ambassador code (through unlimited depth)

AMBASSADOR TIERED COMPENSATION
<b>25-5-2-1-1</b> Ambassadors earn an extra 5% on all new personal ERC customer files.
<b>25-7-4-3-3-2*</b> Ambassadors earn an extra 2% on all new ERC customer files from any new IC (T1, T2, T3, and T4) within the new Ambassador code. <i>*A 2% Z1 reward is also paid, through unlimited depth, on all new ERC customer files from any new IC (T5+) within the new Ambassador code.</i>

### Do your personal ERC customers count toward your 50 coded files?

No. Your personal ERC customer files do not count toward this total. All signed coded ERC customer files must come from your Tier 1 (5%), Tier 2 (2%), Tier 3 (1%), and Tier 4 (1%).

### Why do some ICs only need 30 coded files for the Ambassador position?

TRS grandfathered in our early ICs at 30 coded files required. Any IC that joined TRS on or before January 8, 2023, was grandfathered in at the original qualification of 30 coded signed ERC files. Since January 9, 2023, the requirement is 50 coded signed ERC files to achieve Ambassador.

### Can you win two trips?

No. An IC who achieves either of these VIP positions will receive only one trip for two persons. An Envoy can eventually achieve the rank of Ambassador and receive all the additional perks of that VIP position. Still, they will not receive an extra trip for two persons.

### Can you get paid on one of the tiers and for the Ambassador reward?

Yes and no. First, an IC who has obtained the rank of Ambassador will never be paid the Z1 reward on their personal ERC customer files. Second, that same IC can be paid on one of the other tiers: Tier 1 (5%), Tier 2 (2%), Tier 3 (1%), or Tier 4 (1%), and also be paid the Z1 reward.

**Example 1:** An Ambassador is paid their commission on a personal ERC customer file. They would receive the 25% VIP commission (20% commission + 5% VIP25) **but not** the Z1 reward.

**Example 2:** An Ambassador sponsors a new IC in their Ambassador code, and that IC is paid their commission on a personal ERC customer file. The Ambassador would receive the 5% override **and** the 2% Z1 reward.

## Z1 and Z2 Rewards

### How zones work for Z1 and Z2 rewards

**Example (see chart below):** Bambino becomes a new Ambassador and sponsors Sandman (within his Zone 1). Sandman becomes a new Ambassador and sponsors Catfish (within his Zone 1, Bambino's Zone 2). Catfish becomes a new Ambassador and sponsors a new IC (within his Zone 1, Sandman's Zone 2). Bambino gets coded out.

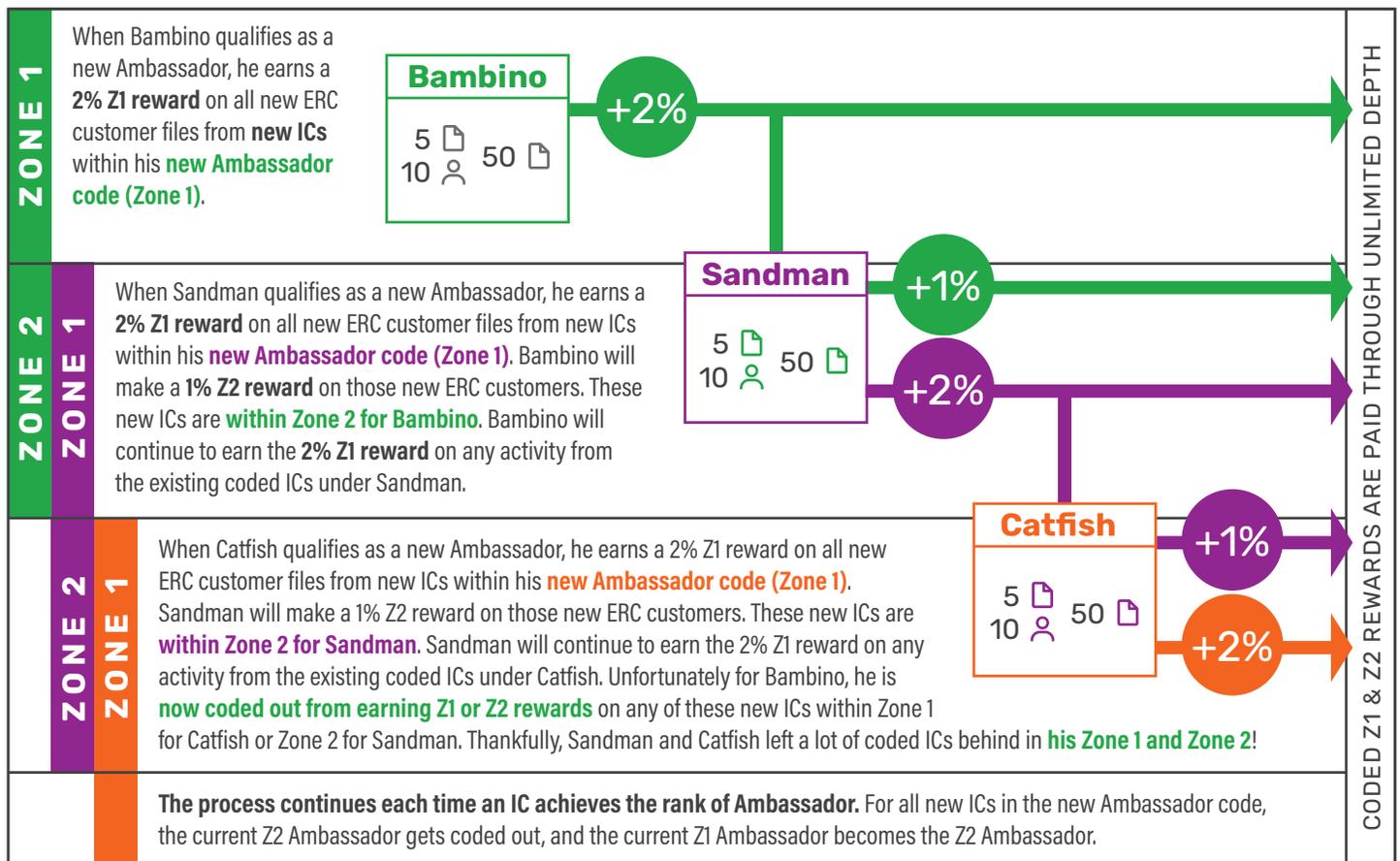
When Bambino qualifies as a new Ambassador, he earns a 2% Z1 reward on all new ERC and SETC customer files from new ICs within his new Ambassador code (Zone 1).

When Sandman qualifies as a new Ambassador, he earns a 2% Z1 reward on all new ERC and SETC customer files from new ICs within his new Ambassador code (Zone 1). Bambino will make a 1% Z2 reward on those new ERC and SETC customers. These new ICs are within Zone 2 for Bambino. Bambino will continue to earn the 2% Z1 reward on any activity from the existing coded ICs under Sandman.

When Catfish qualifies as a new Ambassador, he earns a 2% Z1 reward on all new ERC and SETC customer files from new ICs within his new Ambassador code (Zone 1). Sandman will make a 1% Z2 reward on those new ERC and SETC customers. These new ICs are within Zone 2 for Sandman. Sandman will continue to earn the 2% Z1 reward on any activity from the existing coded ICs under Catfish. Unfortunately for Bambino, he is now coded out from earning Z1 or Z2 rewards on any of these new ICs within Zone 1 for Catfish or Zone 2 for Sandman. Thankfully, they left a lot of coded ICs behind!

The process continues each time an IC achieves the rank of Ambassador. For all new ICs in the new Ambassador code, the current Z2 Ambassador gets coded out, and the current Z1 Ambassador becomes the Z2 Ambassador.

### Zone example using ERCs



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## TRS Excursions

### Trip contests

At TRS, we want to reward the ICs who work hard to help small business owners get their ERC and 1099 self-employed business owners get their SETC. Therefore, we hold up to three trip contests each year. The contests are open to all active ICs, and there is a separate contest for active VIPs.

### Contest rules

- TRS will establish a start and end date for each competition.
- All new ERC and SETC customer files started within those two dates will be eligible.
- For an ERC and SETC customer file to be counted, it must be signed within the established date range.
- For all non-VIP ICs: **The top three (3) ICs** in signed ERC and SETC customer files will win a trip for two persons.  
**Note:** The minimum requirement is 15 personal points with a minimum of \$2,000,000 in ERC volume.
- For current VIPs: **The top two (2) Ambassadors** with the most coded points will win a trip for two.  
**Note:** The minimum requirement is 35 coded points with a minimum of \$5,000,000 in ERC volume.

### Other ways to get on a TRS Excursion

- TRS will always invite all newly promoted Ambassadors or Envoys who have yet to earn a trip to the next TRS Excursion.
- Any existing VIP can become eligible for the next trip by accomplishing the personal production requirements (35 coded points with a minimum of \$5,000,000 in ERC volume) during the specified date range.
- TRS reserves the right to make Partner Picks to reward any ICs the partnership deems worthy of the investment.