




## Credit Policy

### Eligible Income

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#### PAYG Law, Accounting and/or Consulting Firm Partner Income

Partner income received from a law, accounting and/or consulting firm.

Typically, there are two types of partners in a firm: equity partners and salaried partners.

- ▶ Equity partners are defined as those who have ownership interest in the partnership.
- ▶ Salaried partners are those who have not invested directly in the business financially, but who are eligible for profit-sharing.

This verification policy is to be used for salaried partners only.

Salaried partner income includes the following:

- ▶ Partner Fixed Income – fixed income / salary
- ▶ Partner Non-Fixed Income - e.g. profit sharing, bonus and other income incentives

Restrictions	Verification	% Used for Servicing
<p>Equity partners are to be treated as self-employed and must follow the self-employed income verification policy.</p> <p>This verification policy is not to be used for small partnerships where all partners have control and management of the business. They must follow the self-employed income verification policy.</p>	<p><b>Partner Fixed Income</b></p> <p>Partner agreement or letter from employer stating current fixed income / salary or equivalent <b>and</b> 3 months' salary credits to an account.</p> <p><b>Partner Non-Fixed Income</b></p> <p>Letter from employer stating minimum non-fixed income received over the past two years (e.g. profit sharing, bonus and other income incentives).</p> <p><b>Documents</b></p> <p>The Partner agreement may be dated more than six weeks prior to the application and must relate to the current employment arrangement and include:</p> <ul style="list-style-type: none"> <li>▶ Employees name</li> <li>▶ Employer's name</li> <li>▶ Terms and conditions of employment e.g. fixed income/salary.</li> </ul> <p>The letter from the employer must be dated no more than six weeks prior to the application. And must be on company letterhead and include:</p> <ul style="list-style-type: none"> <li>▶ Employee's name</li> <li>▶ Employer's/business name</li> <li>▶ ABN (except government bodies)</li> </ul>	<p>100% - fixed income</p> <p>80% - non-fixed income</p>

#### Calculations

##### Partner Fixed Income

Using the [net to gross calculator](#), input (base salary) credits as they appear on the three months' account statements to confirm the calculated annual gross salary amount is equal to or greater than the fixed income / salary stated on the Partner agreement or letter.

Use the fixed income / salary or equivalent stated on the Partner agreement or letter from employer.

Input income into the 'Gross Annual Salary or Wages' income field within the application.

##### Partner Non-Fixed Income

Use the lower of the two year's non-fixed income amounts for servicing.

Input income into the 'Bonus' income field within the application.

Note: The system will automatically apply 80% of the full amount of non-fixed income for loan servicing.