

Identity & Scope

Legal Name: John Smith Chiropractic LLC**Employee:** John Smith**Effective Date:** 2026-01-31**Hours/week (FTE):** 40 (1.00 FTE)**As of:** December 2025**DBA Name:** Smith Family Chiropractic**Occupation (SOC):** Chiropractors (SOC 29-1011)**OEWS/MSA Year:** 2024**Payment Frequency:** Semimonthly**ZIP locality adjustment:** 61614**EIN:** 12-3456789**Area:** IL (Statewide)**Benefits markup (employer cost estimate; not employee take-home):** Not applied**Source Type:** STATE**Industry (NAICS bucket):** healthcare_social

Executive Summary

SALARY CONCLUSION

\$125,000

Using chosen base pay entered in the export.

BENCHMARK BASIS

Weighted roles

3 roles blended into one benchmark conclusion.

GEOGRAPHY

IL (Statewide)

Statewide source basis.

Annual salary conclusion: \$125,000 based on the weighted composite benchmark for IL (Statewide).

Benchmark alignment

Chosen base pay (\$125,000) is 6.2% below the weighted multi-occupation benchmark of \$133,232.

Green

Role coverage

Many-hats analysis enabled across 3 roles with a composite benchmark of \$133,232.

Green

Documentation readiness

Some support detail is present, but the file would benefit from additional internal documentation tie-ins.

Yellow

Nowcast vs Baseline*

OEWS baseline (May 2024 wage period): \$124,180 (annual P75)**Current projection (as of December 2025):** \$131,271 (same percentile)

OEWS baseline labels refer to the wage reference period, not the later BLS publication date.

Index	Series / Notes	Factor	Weight
ECI	ECI_HEALTHCARE_SOCIAL_ALL_EMP	1.064x	70% weight
AHE	AHE_SUPERSECTOR_HEALTHCARE_SOCIAL vs AHE_TOTAL_PRIVATE	1.052x	20% weight
Locality	ZIP 61614 adjustment +2.2% (county-weighted)	1.022x	10% weight

*Nowcast reliability note: As-of month is 19 months from the OEWS baseline. ZIP locality adjustment applied.

Compensation Percentiles

Percentile	Hourly	Annual (×2,080)	RSE
Entry (10th)	\$20.59	\$42,823	13.0%
Junior (25th)	\$22.76	\$47,337	13.0%
Mid (50th)	\$34.36	\$71,471	13.0%
Senior (75th)	\$63.11	\$131,271	13.0%
Top (90th)	\$98.31	\$204,486	13.0%

Weighted Multi-Occupation Analysis

This optional section blends multiple searched role benchmarks using entered time allocation for a many-hats reasonable compensation fact pattern.

Role	Benchmark Used	Weight	Weighted Contribution
Chiropractors Chiropractors (SOC 29-1011) - IL	Senior (75th percentile) (P75) \$131,271	80.0%	\$105,017
Supervision / Training Training and Development Managers - IL	Senior (75th percentile) (P75) \$171,526	10.0%	\$17,153
Compliance / Records Compliance Officers - IL	Senior (75th percentile) (P75) \$110,626	10.0%	\$11,063
Composite benchmark conclusion	Weighted role blend \$64.05/hr \$133,232	100.0%	\$133,232

Role Scope & Duties

- Conduct comprehensive assessments of patients' musculoskeletal systems to diagnose conditions and develop tailored treatment plans.
- Administer chiropractic manipulations and therapeutic techniques to alleviate pain and improve patients' mobility and overall health.
- Collaborate with healthcare professionals to ensure integrated care and monitor patients' progress throughout their treatment journey.
- Educate patients on lifestyle changes, exercises, and preventive measures to promote long-term health and wellness.
- [Learn more: https://www.bls.gov/ooh/healthcare/chiropractors.htm](https://www.bls.gov/ooh/healthcare/chiropractors.htm)

*The BLS Occupational Outlook Handbook link above contains more general BLS information for this occupation.

Duties/Role Buckets + Time Allocation

Bucket	Allocation
Clinical/Delivery	80.0%
Supervision/Training	10.0%
Compliance/Records	10.0%
Total entered	100.0%

Recommended Compensation & Support

Annual salary conclusion: \$125,000

Chosen base pay (\$125,000) is 6.2% below the weighted multi-occupation benchmark of \$133,232.

Weighted composite benchmark: \$133,232

Adjustments:

Compensation adjustments for chiropractors at the senior level reflect market positioning assumptions based on current healthcare trends and demand for specialized services. The adjustments consider the competitive landscape and the need to attract and retain top talent in a high-demand sector. Additionally, the timing of these adjustments aligns with projected increases in patient volume and service expansion.

Reasonable Comp Support Factors:

- **Years experience / credentials:** 12 years owning his own practice
- **# of employees supervised:** 3
- **Specialty / complexity:** Neuromuskuloskelatal
- **Owner involvement outside core service:** Handles all training and compliance responsibilities for the business.

Documentation tie-in:

- Employment agreement on file

Compensation Structure

Component	Treatment	Amount
Base pay	Recurring	\$125,000
Target bonus	Recurring (10% of base)	\$12,500
Commission / OTE target	Recurring (annual target)	—
Estimated W-2 wages (base + incentives)	Primary cash wage subtotal (modeled)	\$137,500
Non-wage employer costs (benefits on base only)	0% of base	\$0
Equity (annualized)	Recurring	—
Sign-on bonus	One-time	—
Retention bonus	One-time	—
Recurring total comp context	Cash wages + non-wage employer costs + recurring variable comp	\$137,500
One-time comp total	Sign-on + retention	\$0
Estimated first-year total comp context	Recurring total comp context + one-time	\$137,500

Other compensation note:

Target bonus percentage is 2% higher from prior year. Owner also receives reimbursement for all business mileage on a quarterly basis.

W-2 wages shown reflect modeled cash compensation inputs; actual W-2 may vary based on plan terms and timing.

Recommendations & Next Steps

- Use \$125,000 as the documented annual salary conclusion unless advisor judgment or additional facts support a different figure.
- Retain the underlying role-weighting rationale, including time allocation and why each benchmark anchor was selected.
- Add internal support such as board minutes, an employment agreement, or bonus-policy support to strengthen the documentation file.
- Refresh the memo when role mix, compensation structure, geography, or company facts materially change.

Methodology & Limits

Wage percentiles are from the U.S. Bureau of Labor Statistics **Occupational Employment and Wage Statistics (OEWS)** for the selected occupation and area. Hours/week are used to scale annual wages proportionally from the OEWS full-time baseline (40 hours/week).

For the multi-occupation weighting section, entered role weights are normalized and applied to the selected benchmark anchor for each searched role to produce one composite annual benchmark.

This memo is a market-data support document, not a legal opinion or a substitute for advisor judgment. Public wage data, role mapping, and entered company facts should be reviewed together before final filing positions are set.

Authority Considered

This memo is framed around general reasonable-compensation standards, S-corp wage treatment guidance, and commonly cited authorities used by advisors in practice.

- [IRC § 162\(a\)\(1\)](#): Deductibility standard for reasonable compensation for personal services actually rendered.
- [Treas. Reg. § 1.162-7](#): Core regulation describing reasonableness of compensation and compensation for services actually rendered.
- [IRS S corporation employees, shareholders and corporate officers](#): IRS summary page describing wage treatment for shareholder-employees and citing common reasonable-compensation cases.
- [IRS Publication 542](#): IRS corporation publication discussing compensation paid to shareholder-employees.
- **Cases commonly reviewed**: Watson, Veterinary Surgical Consultants, Joseph M. Grey, and Joly are commonly cited in the S-corp reasonable-compensation context.

Data sources used in this memo

- [BLS — Occupational Employment and Wage Statistics \(OEWS\)](#)
- [OEWS tables & documentation](#)
- [BLS — Occupational Outlook Handbook \(OOH\)](#)