118 Maple Street, Suite 210
Saint Paul, MN 55102
(651) 555-0134
hello@maplestreetcpa.example

Maple Street CPA

February 19, 2026

Your reasonable compensation for 2025

Dr. Alan Reyes · 2025 tax year

Based on the work you actually do for the business, a reasonable salary for you for 2025 is **$142,931.68**.

Why this number

The IRS expects an S corporation to pay its owner-employees a reasonable salary for the work they do before taking profit distributions, and "reasonable" means what someone else would be paid to do the same job.

So we started with your job — not one job, but the several you actually do, across roughly 1,900 hours a year. We split your time between them and priced each against federal wage data published by the U.S. Bureau of Labor Statistics for Minneapolis-St. Paul-Bloomington, MN-WI:

- **62% — Diagnosis, treatment planning and chairside dentistry.** Local pay for *Dentists, General* — about $92.41 an hour.
- **22% — Practice management, staffing and scheduling.** Local pay for *Medical and Health Services Managers* — about $60.18 an hour.
- **10% — Bookkeeping oversight, billing and insurance follow-up.** Local pay for *Bookkeeping, Accounting, and Auditing Clerks* — about $24.77 an hour.
- **6% — Marketing, community outreach and referral relationships.** Local pay for *Market Research Analysts and Marketing Specialists* — about $36.94 an hour.

Weighted by how much of your time each takes, those add up to the figure above. We checked it from the other direction too: after paying this salary, the business still returned about 138% on the capital invested in it, well above the 8% an outside investor would expect.

What this means for you

This is the salary to run through payroll for 2025. Profit above it can still be taken as a distribution — the analysis shows the salary came first and was set from evidence rather than picked. If the duties above stop describing how you spend your time, tell us: the figure follows the work. The full analysis is documented in a workpaper we keep on file, prepared by Dana Whitfield, CPA, Partner on February 19, 2026.