

The 1099 CRNA Handbook

LLC • Taxes • Malpractice • Retirement • Real Talk

Published by LocumsLab

Written by a CRNA with firsthand locums experience.

Based on IRS guidance, AANA data, and real-world experience.

[Business Structure](#)

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Why This Guide Exists

I'm a CRNA who has been through the locums transition. Like most of you, I didn't learn business in school. Nobody handed me a guide that explained LLCs, quarterly taxes, malpractice tail coverage, or Solo 401(k)s in plain English. I had to piece it together from scattered forum posts, expensive CPA consultations, and advice from veteran CRNAs who'd already figured it out.

This guide is the resource I wish I'd had. It's written from one CRNA to another — not from a CPA or someone who has never held an endotracheal tube. I've tried to make it honest, numbers-focused, and short enough that you'll actually finish it.

What this guide is: A practical financial and operational overview for CRNAs considering or beginning the transition to 1099/locums work.

What this guide is not: Tax advice, legal advice, or a substitute for working with a qualified CPA who understands 1099 healthcare. Please consult a professional before making any financial or legal decisions.

■ The best advice I've received

Make friends with the nurses at every assignment. Save every recruiter and CRNA contact you meet. CRNAs talk to CRNAs — the best contracts come through word of mouth, not job boards.

Always be the CRNA who shows up ready, has a good attitude, and doesn't complain. That reputation gets you invited back and referred to others. "Show up and show out."

W-2 vs 1099 — What You're Actually Choosing

Before diving into LLCs, taxes, and retirement accounts, it helps to have a clear picture of what W-2 and 1099 actually mean — legally, financially, and operationally. The choice between them is the foundation of everything else in this guide.

The legal distinction

The IRS uses three primary tests to determine whether a worker is an employee (W-2) or an independent contractor (1099): behavioral control, financial control, and the nature of the relationship.

- **Behavioral control:** Does the employer control how, when, and where the work is done? W-2 employees are directed by their employer. 1099 contractors control their own methods.
- **Financial control:** Does the worker have a significant financial investment in their work? Can they profit or lose money? 1099 contractors typically provide their own tools, set their own rates, and can work for multiple clients.
- **Type of relationship:** Are there written contracts? Are employee-type benefits provided? Is the relationship permanent or project-based?

For CRNAs, the classification is straightforward: hospital employment = W-2. Independent locums contracts through an agency or direct with a facility = 1099. You invoice as a business, not as an employee.

Side-by-side: what each means in practice

	W-2 Employee	1099 Contractor
Tax withholding	Employer withholds federal, state, FICA	No withholding — you pay quarterly
FICA / SE tax	You pay 7.65%, employer pays 7.65%	You pay full 15.3% (both halves)
Health insurance	Employer-sponsored, heavily subsidized	You buy your own — full cost

	W-2 Employee	1099 Contractor
Malpractice	Employer provides	You provide your own policy
Retirement	401k/403b with employer match (~\$23,500 max)	Solo 401(k) up to \$70,000/year
PTO / benefits	Paid time off, CME allowance, disability	No PTO — unpaid time is unpaid
Schedule control	Set by employer	You choose when and where
Income stability	Fixed salary, predictable	Variable — depends on contracts
Business deductions	Very limited	Malpractice, travel, CME, home office, and more
Liability protection	Employer provides coverage	Your LLC separates personal assets

How the SE tax difference hits a CRNA

The most immediate financial impact of going 1099 is self-employment tax. As a W-2 CRNA earning \$200,000, your employer quietly paid \$15,300 in FICA taxes on your behalf — you never saw it. As a 1099 CRNA, you pay that entire amount yourself.

Scenario	W-2 at \$200k	1099 at \$200k
Gross income	\$200,000	\$200,000
Employer FICA paid for you	\$15,300 (hidden)	\$0
Your FICA / SE tax	\$15,300	\$28,322 (full 15.3%)
Net SE tax difference	—	-\$13,022/year
Offset: SE tax deduction	None	+\$6,511 (50% deductible)
Offset: Business deductions	Minimal	\$15,000–\$30,000+ typical
Offset: Retirement advantage	\$23,500 max	Up to \$70,000/year

The SE tax increase is real — but it's offset by business deductions, retirement contributions, and (at higher incomes) S-Corp structuring. The net financial picture for most CRNAs who go full-time locums is meaningfully positive.

The benefits gap — the number most people underestimate

When you leave W-2 employment, your total compensation doesn't just drop by the difference in hourly rate. You lose a package of benefits that most CRNAs have never had to price individually.

Benefit Lost	Typical W-2 Value
Health insurance (individual)	\$6,000–\$12,000/year
Malpractice insurance	\$6,000–\$15,000/year
Employer retirement match	\$3,000–\$8,000/year
Paid time off (20 days)	\$16,000–\$22,000/year at CRNA rates
CME allowance	\$3,000–\$5,000/year
Disability insurance	\$3,000–\$6,000/year
Dental, vision, life	\$1,000–\$2,500/year
Total benefits gap	\$38,000–\$70,000/year

■ The real question to ask

It's not "Does locums pay more per hour?" — it almost always does.

The real question is: "Does the locums premium cover my benefits gap, SE tax increase, and business overhead — and still leave me ahead?"

That's exactly what the LocumsLab Staff vs Locums calculator is built to answer. Run your specific numbers at locumslab.com before making any decisions.

Why 1099 still wins for most CRNAs who go full-time

- **The hourly premium is large enough.** Locums CRNAs typically earn 30–60% more per hour than W-2 equivalents — enough to cover the benefits gap and then some.
- **The retirement advantage is enormous.** \$70,000/year vs \$23,500/year, compounded over 20 years, is approximately \$1.9 million in additional wealth.
- **Business deductions reduce taxable income significantly.** Malpractice, health insurance, travel, CME, and home office together typically reduce taxable income by \$15,000–\$30,000+/year.
- **S-Corp structuring recovers most of the SE tax increase.** At \$200,000+ net income, an S-Corp typically saves \$8,000–\$20,000/year in payroll taxes.

The chapters that follow explain each of these levers in detail — how to structure your business, minimize taxes, protect yourself with the right insurance, and maximize the retirement advantage that makes locums genuinely life-changing for many CRNAs.

Before You Leap — Honest Considerations

Going locums is genuinely exciting — better pay, schedule control, and the ability to supercharge your retirement. But it is not for everyone. Here's what to honestly consider before making the jump.

The lifestyle realities

- You will spend time away from home — hotels, Airbnbs, and hospital call rooms become your second home.
- You will miss events and family time. Decide in advance how much time away is acceptable.
- Every new assignment is a new team. You adapt to the culture — you don't change it.
- Job security feels less stable, even when the market is strong. Keep 6 months of expenses in a liquid cash reserve.
- You are responsible for credentialing, multi-state licensing, and administrative work that your employer used to handle.

The financial realities

- Your W-2 benefits disappear. You now pay 100% of health insurance, malpractice, and retirement contributions.
- You pay self-employment (SE) tax — 15.3% on net income — on top of income tax, until you structure an S-Corp.
- There is no employer withholding. You make quarterly estimated tax payments yourself.
- The higher hourly rate is real, but the true hourly after costs is lower than the headline number.

■ ■ The benefits gap is bigger than most people expect

Before going locums, tally everything your W-2 employer provides: health insurance, dental, vision, disability, life insurance, malpractice, retirement match, CME allowance, and licensing fees. For most CRNAs, this totals \$25,000–\$45,000/year.

You need to earn enough locums income to replace all of this before you're truly ahead. Use the LocumsLab Staff vs Locums calculator at locumslab.com to run your exact numbers.

The upside — why people do it anyway

- **Pay premium:** Locums CRNAs typically earn 30–60% more per hour than W-2 equivalents.
- **Schedule autonomy:** You choose when and where you work.
- **Retirement acceleration:** Up to \$70,000/year into a Solo 401(k) vs ~\$23,500 as a W-2 employee.
- **Tax deductions:** Travel, malpractice, home office, continuing education, and more become deductible business expenses.
- **Geographic variety:** Work in different states, build experience, expand your clinical skill set.

Business Structure — LLC & S-Corp

This is the chapter most new locums CRNAs underestimate. Your business structure directly determines how much self-employment tax you pay, how you protect personal assets, and what deductions are available. There is no one-size-fits-all answer, but here's the framework.

Step 1: Form an LLC

An LLC (Limited Liability Company) separates your personal assets from your business liabilities. If a claim arises and you are sued, your personal home, savings, and car are protected. Form the LLC before you take your first 1099 check.

Item	Details
Cost to form	\$50–\$500 depending on state
Annual fees	\$0–\$800/year (varies by state)
Formation time	1–5 business days online
Where to file	Your state's Secretary of State website
EIN (Tax ID)	Apply free at IRS.gov — takes 5 minutes online
Business bank account	Required — keep personal and business funds separate

■ Keep your LLCs separate

If you have an existing LLC for other work (teaching, a side business, a tech product), do not use it for your CRNA clinical work. Mixing clinical income with an unrelated business creates liability exposure and tax complications.

Form a dedicated LLC for your CRNA practice — something like "Your Name CRNA LLC."

Step 2: Default tax treatment as a single-member LLC

By default, a single-member LLC is a "disregarded entity." All income flows to your personal return via Schedule C, and you pay the full 15.3% self-employment tax on net earnings. For most CRNAs earning \$150,000+ as 1099, this is where significant money is left on the table compared to electing S-Corp

status.

Step 3: Consider electing S-Corp status

An S-Corp election allows you to split income into a reasonable W-2 salary (subject to payroll taxes) and owner distributions (not subject to SE tax). The tax savings on distributions can be substantial.

Scenario	Amount
Gross 1099 income	\$300,000
Reasonable W-2 salary (example)	\$160,000
Distributions (not subject to SE tax)	\$140,000
SE tax without S-Corp	~\$41,300
SE tax with S-Corp (on salary only)	~\$24,500
Estimated annual savings	~\$16,800/year

Source: IRS.gov SE tax calculation methodology; example figures for illustration only.

■ The "reasonable salary" requirement

The IRS requires S-Corp owner-employees to pay themselves a salary comparable to what you'd pay someone else to do the same clinical work. For CRNAs, this means your W-2 salary should reflect market rates for your specialty and region.

Setting salary artificially low (e.g., \$40,000 when doing \$300,000 of clinical work) is an IRS audit trigger. A CRNA-specialized CPA can document the right number using BLS wage data for your specific role.

Source: CBFC (1099CRNATaxPlanning.com); WCG CPAs & Advisors (wcginc.com)

When does an S-Corp make financial sense?

The S-Corp comes with overhead: payroll filings, a separate Form 1120-S corporate tax return, and payroll software costs (~\$600–\$2,000/year). Most CPAs recommend the threshold is around \$80,000–\$100,000 in net 1099 income before tax savings exceed the administrative costs.

■ **S-Corp setup checklist**

- Form LLC in your state (Secretary of State website)
- Obtain EIN from IRS.gov (free, takes 5 minutes)
- Open dedicated business bank account
- Set up payroll software (Gusto is most popular for 1099 CRNAs)
- File IRS Form 2553 to elect S-Corp status (within 75 days of formation OR by March 15 for current tax year)
- Determine reasonable salary with CPA guidance
- File quarterly payroll taxes (Form 941)
- File annual corporate return (Form 1120-S)

Taxes — What Changes on Day One

The tax picture as a 1099 CRNA is meaningfully different from W-2 employment. Understanding these differences early prevents a painful surprise in April.

Self-Employment (SE) Tax

As a W-2 employee, your employer paid half your Social Security and Medicare taxes (7.65%) and you paid the other half through withholding. As a 1099 contractor, you pay both halves — the full 15.3%.

SE Tax Component	2025 Rate / Rule
Social Security portion	12.4% on first \$176,100 of net income (2025)
Medicare portion	2.9% on all net income
Additional Medicare surtax	+0.9% on income over \$200,000 (single filer)
Net earnings subject to SE tax	92.35% of net self-employment income
SE tax deduction	50% of SE tax deductible on Form 1040 (above-the-line)

Source: IRS.gov — Self-Employment Tax; IRS Topic No. 554

What to set aside

A common rule of thumb: set aside 25–30% of gross income for taxes. For high-earning CRNAs (over \$200,000), 30–35% is safer. This covers SE tax, federal income tax, and leaves a small buffer.

■ Real numbers — CRNA earning \$280,000 gross as 1099

SE tax (15.3% x 92.35% x \$280,000): ~\$39,530

50% SE tax deduction reduces taxable income by ~\$19,765

Federal income tax estimate (after standard deduction): ~\$58,000–\$65,000

Total estimated tax bill: ~\$97,000–\$104,000

Recommended quarterly set-aside: ~\$25,000 per quarter

This drops significantly with S-Corp structuring and retirement contributions.

Quarterly estimated tax payments

Unlike W-2 employment, no one withholds taxes from your 1099 checks. You make quarterly estimated payments directly to the IRS. Underpayment results in penalties.

Quarter	Payment Due Date
Q1 (Jan 1 – Mar 31)	Due April 15
Q2 (Apr 1 – May 31)	Due June 16
Q3 (Jun 1 – Aug 31)	Due September 15
Q4 (Sep 1 – Dec 31)	Due January 15 of following year

Source: IRS.gov — Estimated Taxes

Key deductions available to 1099 CRNAs

- **Malpractice insurance premiums** — fully deductible as a business expense
- **Health insurance premiums** — deductible as an above-the-line adjustment on Form 1040
- **Retirement contributions** — Solo 401(k) or SEP-IRA contributions reduce taxable income dollar-for-dollar
- **Travel to temporary work locations** — flights, lodging, car rental, 50% of meals
- **Licensing and credentialing fees** — state licenses, DEA registration, hospital credentialing costs
- **Continuing education and professional dues** — AANA membership, conferences, CME courses
- **Home office** — if you have a dedicated workspace used exclusively for business
- **Cell phone** — business-use percentage of your phone and service plan
- **Professional equipment** — stethoscopes, medical reference apps, clinical tools

Source: IRS Publication 535 (Business Expenses); AAG Health — How to Work as a CRNA 1099 Independent Contractor

Malpractice Insurance

Malpractice insurance is non-negotiable as a 1099 CRNA. Even if your agency provides coverage for an assignment, that coverage only applies to that assignment with that agency. It does not cover work done for other agencies, direct contracts, or claims filed after the assignment ends.

Claims-Made vs. Occurrence policies

Policy Type	How It Works
Occurrence	Covers any incident that occurred during the policy period, even if the claim is filed years later. No tail needed. More expensive upfront.
Claims-Made	Only covers claims filed while the policy is active. Cheaper upfront but requires tail coverage when you switch or retire.
Tail Coverage	Extends a claims-made policy to cover future claims for past incidents. Typically costs 1.5–2x your annual premium.

What does CRNA malpractice cost?

Item	Data
Average CRNA malpractice premium (2024)	\$5,968/year (CMS data)
Typical range for independent CRNAs	\$3,000–\$7,000+/year
Locums/multi-site premium increase	10–25% higher than single-site
Recommended coverage limits	\$1M per claim / \$3M–\$6M aggregate
Average malpractice claim resolution cost	~\$350,000 + ~\$43,000 legal fees

Source: VMG Health — CRNA Compensation Trends (citing CMS 2024 data); AAG Health; USALIFETIPS.com

■ Check tail coverage before leaving your W-2 job

A malpractice claim can take 18–24 months from incident to lawsuit. If your current employer carries a claims-made policy and you leave without tail coverage, you could be personally exposed for incidents that occurred during your employment.

Ask HR whether the employer's policy includes tail coverage. If not, negotiate it as part of your exit package — or budget to purchase it yourself.

Source: The Doctors Company — CRNA Malpractice Insurance

Where to get CRNA malpractice insurance

- **AANA Insurance Services** — purpose-built for CRNAs, 30+ years of specialty experience (malpracticeinsurance.aana.com)
- **The Doctors Company** — large member-owned carrier, covering CRNAs since 1976 (thedoctors.com)
- **NSO (Nurses Service Organization)** — popular, competitive rates for CRNAs
- **Through your agency** — many agencies (CompHealth, AMN, etc.) include malpractice; confirm limits in writing

■ Questions to ask before any assignment

- Does the agency provide malpractice coverage for this assignment?
- Is the policy claims-made or occurrence-based?
- What are the per-occurrence and aggregate coverage limits?
- Does coverage extend to licensing board investigations?
- Who pays for tail coverage when the assignment ends?

Health, Disability & the Benefits Gap

One of the most underestimated costs of going 1099 is replacing the benefits your employer provided. Most CRNAs receive \$25,000–\$45,000 in total benefits value from their W-2 employer annually. Here's how to account for each piece.

Health Insurance

Coverage Type	Estimated Annual Cost
Individual coverage	\$400–\$800/month (\$4,800–\$9,600/year)
Self + spouse	\$800–\$1,400/month (\$9,600–\$16,800/year)
Family coverage	\$1,200–\$2,200/month (\$14,400–\$26,400/year)
Tax treatment	100% deductible if not eligible for a spouse's employer plan

Disability Insurance

Your most valuable asset as a CRNA is your ability to work. Own-occupation disability insurance pays benefits if you cannot perform your specific job as a CRNA — even if you could work in another field. This distinction is critical.

Item	Details
Typical annual premium for CRNAs	\$3,000–\$6,000/year
Recommended coverage	60–70% of gross income
Policy type	Own-occupation (not any-occupation)
Elimination period	90 days is most common
Tax treatment	Premiums not deductible; benefits paid tax-free

Other benefits to budget for

Benefit	Estimated Annual Cost
Dental + vision insurance	\$500–\$1,200/year combined
Life insurance	\$600–\$2,400/year depending on coverage
CME / continuing education	\$1,000–\$3,000/year
Multi-state licensing fees	\$200–\$500/year per additional state
Professional dues (AANA, etc.)	\$300–\$600/year

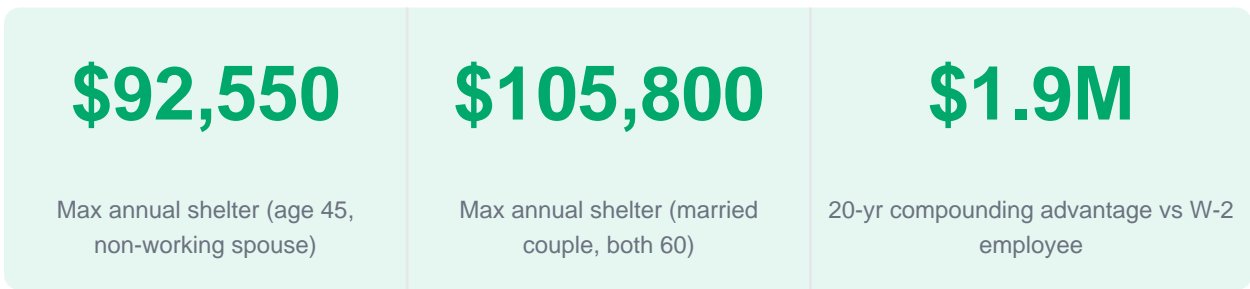
■ Calculate your personal benefits gap

Add up everything your employer currently provides and compare it to what you'll pay yourself. Most CRNAs are surprised — the gap is often \$30,000–\$45,000/year.

Use the LocumsLab Staff vs Locums calculator at locumslab.com to calculate your exact benefits gap and see the true comparison.

Retirement — The Real Reason Many Go Locums

This is the chapter that convinced me. As a 1099 CRNA, you can contribute up to \$70,000 per year into a Solo 401(k) — compared to roughly \$23,500 as a W-2 employee. That difference, compounded over a decade, is genuinely life-changing. Retirement maximization is one of the single biggest financial advantages of locums work.



Solo 401(k) — The gold standard for 1099 CRNAs

A Solo 401(k) is designed for self-employed individuals with no full-time employees other than a spouse. You wear two hats — employee and employer — and can contribute in both capacities.

Contribution Type	2025 Limit
Employee deferral (under 50)	\$23,500 (pre-tax or Roth)
Catch-up (age 50–59 and 64+)	+\$7,500 = \$31,000 total employee
Catch-up (age 60–63)	+\$11,250 = \$34,750 total employee
Employer profit-sharing (sole prop)	Up to ~20% of net SE income
Employer profit-sharing (S-Corp)	Up to 25% of W-2 salary
Total cap, under 50 (2025)	\$70,000
Total cap, age 50+ (2025)	Up to \$81,250
Compensation limit	\$350,000 maximum compensation counted

■ What \$70,000/year actually becomes

At 7% average annual return:

\$70,000/year x 10 years = ~\$965,000

\$70,000/year x 20 years = ~\$2,870,000

Compare to the W-2 maximum of \$23,500/year x 20 years = ~\$962,000

The 20-year difference: approximately \$1.9 million.

This is compounding math, not marketing. But it requires consistently maxing contributions.

Mega Backdoor Roth — for S-Corp owners

S-Corp CRNAs pay themselves a reasonable salary, which caps the employer 401(k) contribution at 25% of that salary. This often means you can't hit the \$70,000 annual limit through direct contributions alone.

S-Corp CRNA, age 40, \$120k reasonable salary	Amount
Employee contribution	\$23,500
Employer contribution (25% of \$120k)	\$30,000
Direct contributions total	\$53,500
Gap to \$70,000 IRS limit	\$16,500 — filled by Mega Backdoor Roth

The Mega Backdoor Roth fills this gap: contribute the shortfall as a "voluntary after-tax" (VAT) contribution to your solo 401(k), then immediately convert it to the Roth subaccount. All future growth is tax-free.

■ Requires a paid custom solo 401(k) plan

Free plans at Fidelity, Schwab, and Vanguard do NOT support voluntary after-tax (VAT) contributions. You need a custom solo 401(k) from providers such as MySolo401k.net, Rocket Dollar, or Ubiquity (~\$100–\$300/year in maintenance fees).

The \$1,500 EACA tax credit (Form 8881) largely offsets setup costs over three years.

Your plan will have three subaccounts: pre-tax, Roth, and voluntary after-tax (VAT). VAT is different from Roth — the conversion step is what makes it tax-free.

SEP-IRA — Simpler but less flexible

A SEP-IRA is easier to set up (no annual filing requirements) and allows contributions up to 25% of compensation, capped at \$70,000. The downside: no employee deferrals — all contributions are employer-only — so you need higher income to reach the same limit.

Good news from SECURE 2.0: The pro-rata rule issue that previously limited Backdoor Roth IRA conversions for SEP-IRA holders has been resolved. SEP-IRA balances no longer count against the Backdoor Roth pro-rata calculation.

SEP-IRA Feature	Details
Max contribution (2025)	\$70,000 (25% of compensation, lesser of the two)
Income needed to max out	\$280,000+ in net earnings
Catch-up contributions	None (major disadvantage vs Solo 401k)
Backdoor Roth compatible	Yes — SECURE 2.0 resolved the pro-rata issue
Annual filing requirements	None (simpler than Solo 401k)
Best for	Higher earners who prefer simplicity over flexibility

Source: Fidelity.com — SEP-IRA Contribution Limits 2025; IRS.gov — Retirement Plans for Self-Employed

Backdoor Roth IRA

CRNAs earn too much to qualify for direct Roth IRA contributions (phase-out begins at \$150,001 single / \$236,001 married). The Backdoor Roth is the workaround.

How it works: Contribute \$7,000/year to a traditional IRA (no income limit to contribute — only to deduct), wait one day, then convert to Roth. There are no income limits on conversions.

- Married filing jointly: \$14,000/year total (\$7,000 per person)
- Age 50+: add \$1,000 catch-up per person
- **Pro-rata caution:** If you have existing pre-tax IRA balances (e.g., from a prior employer 401k rollover), the pro-rata rule will tax a portion of your conversion. Solution: roll those pre-tax IRA balances into your Solo 401(k) first.

HSA — The stealth IRA

1099 CRNAs commonly purchase their own health insurance. Choosing a qualifying high-deductible health plan (HDHP) unlocks access to a Health Savings Account — one of the most tax-efficient accounts available.

HSA Feature	2025 Details
HDHP minimum deductible	\$1,650 (single) / \$3,300 (family)
Contribution limit — single	\$4,300/year
Contribution limit — with dependents	\$8,550/year
Tax treatment	Triple-advantaged: deductible, tax-free growth, tax-free medical withdrawals
Non-medical withdrawals after 65	Taxed as ordinary income (functions like traditional IRA)
Receipt expiration	Never — reimburse yourself years or decades later

■ HSA as a long-term retirement vehicle

HSA withdrawals do not need to occur in the same year as the medical expense. Spend \$1,000 on prescriptions in 2025, save the receipt, and withdraw \$1,000 tax-free in 2040.

Leaving money invested in an HSA for decades after a medical expense is one of the most powerful — and underused — retirement strategies available to 1099 CRNAs.

Roth vs. Traditional — the honest answer

Most full-time 1099 CRNAs should prioritize pre-tax contributions in their highest-income years. But the 'correct' answer requires predicting your future income, tax rates, retirement location, and life expectancy. No one can do this perfectly.

Prioritize pre-tax when: You're in your highest-earning years, or you plan to retire in a lower-tax state (e.g., work in California, retire in Nevada).

Prioritize Roth when: You take extended unpaid time off (maternity/paternity leave), you're a super-saver contributing >25% of income for 30+ years, or you have a guaranteed pension that will keep your retirement income high.

The most important factor is consistency — a wrong Roth vs. pre-tax choice matters far less than a consistent, long-term savings plan.

■ Form 5500-EZ — don't miss this filing

Solo 401(k) account balances exceeding \$250,000 require an annual IRS Form 5500-EZ filing.

The penalty for non-compliance is \$500 per day, capped at \$150,000. Many CRNAs are unaware of this requirement until they receive an IRS notice.

Filing is free and takes minutes at efast.dol.gov. Set a calendar reminder for July 31 each year (the filing deadline).

Which plan is right for you?

Your Situation	Recommended Plan
Lower income (under \$150k net)	Solo 401(k) — employee deferrals get you to higher contributions faster
Higher income (over \$280k net)	Either works; SEP-IRA is simpler
Want Roth contributions	Solo 401(k) — Roth deferrals available
S-Corp structure	Solo 401(k) + Mega Backdoor Roth to reach \$70k
Minimal paperwork	SEP-IRA — no Form 5500 filing required until \$250k balance
Spouse works in your business	Solo 401(k) — can potentially double contributions

■■ Open your Solo 401(k) before December 31

You must establish your Solo 401(k) plan by December 31 of the tax year to make employee deferrals for that year. Employer profit-sharing contributions can be made until your tax filing deadline (including extensions), but the plan must exist before year-end.

Don't wait until tax season to set this up.

Finding Contracts & Working with Recruiters

Locums contracts come through two channels: staffing agencies and direct contracts with facilities. Most CRNAs start with agencies while building their network, then add direct contracts over time.

Working with agencies

Agencies handle the heavy lifting — credentialing, travel arrangements, housing stipends, and often malpractice coverage. In exchange, they take a margin on your rate, typically 20–40% on top of your pay.

- Work with multiple agencies simultaneously to access more opportunities and create rate competition.
- Your rate is negotiable — especially once you have completed assignments on your record.
- Know market rates before negotiating. Use LocumsLab benchmarks to understand what CRNAs in your specialty and region are earning.
- Understand guaranteed hours vs. "expected" hours — guaranteed means you're paid regardless of census.
- Get everything in writing: pay rate, stipends, guaranteed hours, housing, and cancellation terms.

■ The soft skills that actually get you the best assignments

Make friends with the nurses. They know where everything is, they set the tone of the assignment, and they talk to each other across hospitals. A CRNA who treats nurses as partners gets better schedules, better referrals, and repeat invitations.

Save every contact. The CRNA you work alongside in Phoenix might know about an excellent contract in Charlotte next year. Your network is your pipeline.

"Show up and show out." Be early, be prepared, be positive. The locums world is smaller than you think — your reputation travels faster than your resume.

Evaluating a contract offer

- **Hourly vs. weekly rate** — know which you're being quoted and convert appropriately.

- **Housing stipend** — is it tax-free reimbursement or taxable income? Matters significantly for take-home.
- **Guaranteed hours** — are hours guaranteed or contingent on hospital census?
- **Case mix and call** — what types of cases? Is call required, and what is the on-call pay rate?
- **Supervision model** — what is the CRNA-to-anesthesiologist ratio and level of supervision required?
- **State license requirement** — do you need a license in that state, and who pays for it?

■ Use Locumslab to evaluate any offer

The True Hourly Rate calculator at locumslab.com takes a contract offer and shows you the real effective hourly rate after SE taxes, malpractice, health insurance, and travel costs. Use it before signing anything.

Payroll, Quarterly Taxes & Bookkeeping

Once you have an S-Corp, you need payroll. This is administrative overhead most people don't anticipate. Here's how to set it up and keep it running without consuming your weekends.

Payroll software

Software	Notes
Gusto	Most popular for 1099 CRNA S-Corps. Handles W-2, payroll tax deposits, and quarterly filings automatically. ~\$50/month + \$6/person.
QuickBooks Payroll	Good integration with QuickBooks accounting. ~\$50-\$85/month.
Run by ADP	More robust for compliance. Higher cost. Better if you eventually hire employees.

Bookkeeping & expense tracking

Software	Notes
QuickBooks Self-Employed	Good for sole proprietors. Tracks mileage, estimates quarterly taxes. ~\$20/month.
QuickBooks Online	Better for S-Corps with more transactions. ~\$35-\$60/month.
Keeper	AI-powered expense tracking, finds deductions automatically, CPA access built in. ~\$20/month.
Wave	Free, basic bookkeeping. Good starting point.

The quarterly compliance routine

Timing	Action
Every paycheck	Run payroll through Gusto; federal and state tax deposits are made automatically
Monthly	Reconcile business bank account; categorize and log expenses
Quarterly	File Form 941 (payroll taxes); make estimated income tax payment; review S-Corp distributions
Annually	File Form 1120-S (S-Corp return); issue W-2 to yourself; make final retirement contribution

■ **The tax savings account rule — start from Day 1**

Open a dedicated savings account labeled "taxes." Every time a 1099 check hits your business account, immediately transfer 30% to the tax account. Treat it as untouchable.

This money belongs to the IRS and your quarterly payment schedule. The CRNAs who get into trouble in April are the ones who spent their tax reserve. Don't be that person.

Finding the Right CPA

This is the most common pain point I hear from CRNAs considering the transition. Finding a CPA who genuinely understands 1099 healthcare — CRNA income, S-Corp elections, reasonable salary determinations for clinical professionals, and the nuances of locums deductions — is genuinely hard. Most general CPAs have never worked with a CRNA.

What to look for

- **Healthcare 1099 experience** — ask how many 1099 CRNAs, physicians, or allied health professionals they currently serve.
- **S-Corp expertise** — they should be fluent in reasonable compensation, Form 1120-S, and payroll tax strategy.
- **Proactive planning** — a good CPA calls you in Q3 to review and plan, not just in March to file.
- **Locums deduction knowledge** — travel, malpractice, multi-state licensing, home office, administrative fees.
- **Clear fee structure** — know upfront what you're paying. Typical fees for S-Corp CRNAs: \$2,000–\$5,000/year.

Questions to ask when interviewing a CPA

- "How many 1099 CRNA clients do you currently work with?"
- "How do you determine reasonable S-Corp salary for a CRNA?"
- "Do you prepare Form 1120-S in-house or refer it out?"
- "How do you handle income earned across multiple states?"
- "What do you charge for quarterly planning vs. annual filing only?"

■ Firms that specialize in CRNA and healthcare 1099

CBFC (1099CRNATaxPlanning.com) — dedicated 1099 CRNA tax planning

WCG CPAs & Advisors (wcginc.com) — 160+ CRNA clients, strong S-Corp expertise

CRNA Financial Planning (crnafinancialplanning.com) — financial planning focused

A strong generalist CPA with S-Corp experience and willingness to learn your specialty can also work well. The key is finding someone proactive — not someone who just files what you hand them.

■ CPA fees are worth it — and deductible

A CRNA-specialized CPA typically costs \$2,000–\$5,000/year. If they save you \$15,000–\$25,000 in taxes through proper S-Corp structuring and deduction optimization, the ROI is obvious.

Their fee is fully deductible as a business expense.

Run Your Numbers — LocumsLab

Reading a guide is a start. The real insight comes from running your specific numbers — your current salary, your benefits costs, your target contract rate. That's exactly what LocumsLab was built to do.

Free calculators at locumslab.com

Calculator	What It Does
Quick Start Wizard	Step-by-step W-2 to locums comparison. Best starting point for newcomers.
Staff vs Locums	Side-by-side financial comparison of your current W-2 vs a specific locums contract.
True Hourly Rate	Enter any contract offer. See the real hourly after SE taxes, insurance, malpractice, and travel.
W-2 vs 1099	Model the tax and income differences between employment types.
Tax Estimator	Estimate quarterly payments and annual tax liability.
10-Year Income Model	Project long-term income under different scenarios.
Home Buying Calculator	Understand how 1099 income affects mortgage qualification.

Pro features

Pro Feature	What It Does
S-Corp Evaluator	Model S-Corp tax savings vs sole proprietor LLC for your income level.
Market Benchmarks	Current CRNA locums rate data by specialty, region, and role.

■ Start here: the Quick Start Wizard

Go to locumslab.com and click Quick Start. It walks you through entering your current W-2 details and a target locums rate, then shows a side-by-side financial comparison in under 5 minutes.

No signup required to run the calculators. Sign up free to save and share your scenarios.

Have a contract offer? Run it through the True Hourly Rate calculator first. Most CRNAs are surprised by how the true number differs from the headline rate.

Thank you for reading. If this guide was useful, share it with a colleague who is considering the transition.

locumslab.com

DISCLAIMER

This guide is provided for informational and educational purposes only. It does not constitute tax advice, legal advice, financial advice, or professional advice of any kind. The information reflects the author's general understanding of tax law and financial planning concepts as of early 2026 and may not apply to your specific situation.

Tax laws change. IRS guidance evolves. State laws vary significantly. All figures, rates, and limits cited are based on 2025 IRS guidance and should be independently verified before making any financial or tax decision.

Always consult a qualified CPA, tax attorney, and/or licensed financial advisor before making decisions about business structure, tax strategy, retirement planning, or insurance coverage.

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