



5 Beginner-Friendly Ways to Get Paid for Selling Options

A jargon-light playbook for collecting **steady monthly premium** from quality stocks – without having to predict the next explosive market move.

PREMIUM LEDGER	30 DAYS
Cash-Secured Put	+\$200
Put Credit Spread	+\$150
Covered Call	+\$150
Wheel (put leg)	+\$100
Iron Condor	+\$120
COLLECTED	+\$720

PREPARED BY

[Your Brand]

EDUCATION ONLY
NOT FINANCIAL ADVICE

Stop asking “which stock should I buy?” Start asking how to get paid for waiting.

Most people enter the market with one big question – which stock to buy – and then sit in the stress of hoping it rises quickly. Option selling flips the script. Instead of always buying and hoping, you learn to **collect premium upfront** and let time and discipline do the work.

THE ONE IDEA THAT MAKES IT CLICK

Think like an **insurance company**. Insurers collect premiums, manage risk carefully, and make sure one bad event never destroys the whole business. A good option seller does exactly the same – you’re not chasing one big jackpot, you’re collecting **smaller, repeatable premiums while controlling risk.**

INSIDE THIS GUIDE

01 Cash-Secured Put ●●●●	02 Put Credit Spread ●●●●	03 Covered Call ●●●●	04 Wheel Strategy ●●●●	05 Iron Condor ●●●●
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Before any trade, run the STS check.

A simple filter that keeps beginners focused on process instead of chasing premium.

<p>S</p> <p>STOCK</p> <p>Choose quality, profitable, reasonably valued companies you'd be happy to own.</p>	<p>T</p> <p>TIME</p> <p>Avoid falling knives, and be careful when an expiry crosses an earnings date.</p>	<p>S</p> <p>STRUCTURE</p> <p>Pick puts, spreads, or covered calls to match your risk and account size.</p>
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IMPORTANT DISCLAIMER

This guide is for education only and is not financial advice. Options trading involves risk and may not be suitable for everyone. Always understand your obligation, maximum risk, and account size before placing any trade.



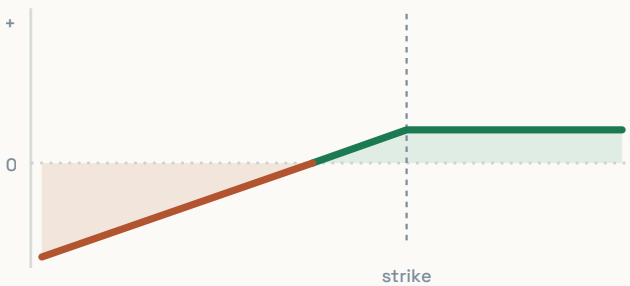
Cash-Secured Put

Get paid while you wait to buy a quality stock cheaper.

THE PLAIN-ENGLISH IDEA

One of the simplest option-selling strategies. You **sell a put and collect premium upfront**. In exchange, you agree that if the stock falls below your chosen price, you may have to buy 100 shares at that price. **Cash-secured** simply means the money is already set aside – no borrowing, no margin.

THE PAYOFF SHAPE



Capped gain (the premium) above your strike - real downside below it

WORKED EXAMPLE

ABC Trading @ \$50 · 30 DTE

Sell 1 × \$45 put	+ \$2.00 / sh
Premium collected	\$200
If assigned, you buy at	\$45
Effective cost basis	\$43

PREMIUM COLLECTED +\$200

If ABC stays above **\$45**, the put expires worthless and you keep the **\$200**. If it's assigned, your real entry is **\$43** after premium.

✔ WHAT CAN GO RIGHT

The stock stays above your strike. You keep the premium, never have to buy the shares, and you're free to set up the next trade. The cleanest outcome.

⚠ WHAT CAN GO WRONG

The stock can fall far below your strike. If ABC drops to \$35 you still buy at \$45 – the \$2 premium softens the blow but doesn't erase the loss.

BEGINNER CHECKLIST

- Use quality, profitable companies
- Have cash ready to buy 100 shares
- Avoid earnings while you're new
- Know your breakeven before entering
- Keep position size small

Put Credit Spread

Beginner+

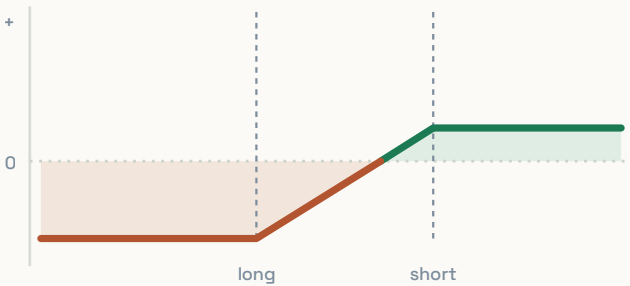


Put selling — with built-in insurance.

THE PLAIN-ENGLISH IDEA

A put credit spread is like selling a put **with a safety net**. You sell one put to collect premium, then buy a cheaper put at a lower strike for protection. You collect less than a naked put — but your **maximum loss is known upfront and capped**.

THE PAYOFF SHAPE



Capped gain above the short strike · capped loss below the long strike

WORKED EXAMPLE

GOOGL Trading @ \$252 · 30 DTE

Sell \$245 put	credit
Buy \$240 put	debit
Net premium collected	\$150
Spread width (\$5 × 100)	\$500
Maximum loss	\$350

PREMIUM COLLECTED **+\$150**

Controls a \$25,200 stock for a defined **\$350** risk. Above **\$245**, both puts expire worthless and you keep **\$150**.

WHAT CAN GO RIGHT

GOOGL stays above \$245, both puts expire worthless, and you keep the \$150 — income earned without tying up \$25,200 to own 100 shares.

WHAT CAN GO WRONG

If GOOGL falls below \$240 the trade hits its max loss. The good news: that loss is capped at \$350. The reminder: capped risk is still real risk.

BEGINNER CHECKLIST

- Useful for expensive stocks
- Know max profit & max loss upfront
- Don't over-size just because risk is capped
- Avoid earnings events
- Start with 1 contract while learning

Covered Call

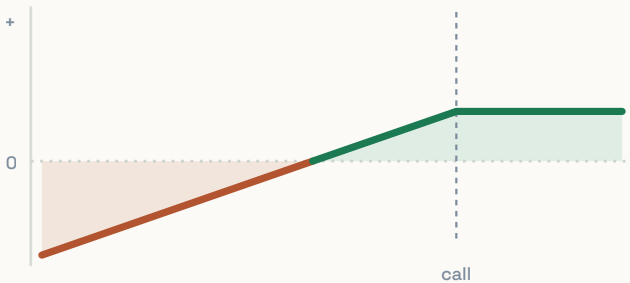


Collect rental income from shares you already own.

THE PLAIN-ENGLISH IDEA

Used when you **already own 100 shares**. You sell a call against those shares and collect premium upfront. In exchange, you agree to sell your shares at the strike if the stock climbs above it – like collecting **rent on a position you already hold**.

THE PAYOFF SHAPE



Upside capped at the call strike · full downside still rides with the shares

WORKED EXAMPLE

XYZ You own 100 @ \$50 · 30 DTE

Sell \$53 call	+\$1.50 / sh
Premium collected	\$150
If called away, sell at	\$53
Share gain \$50→\$53	\$300
PREMIUM COLLECTED	+\$150

Below **\$53**: keep the shares and the **\$150**. Called away at **\$53**: **\$300** share gain + **\$150** premium – you only miss gains beyond \$53.

✔ WHAT CAN GO RIGHT

The stock stays flat or rises slowly. You pocket the premium and can repeat the strategy month after month on the same shares.

⚠ WHAT CAN GO WRONG

The stock can fall sharply – premium is only a small cushion. And if it rockets higher, your upside is capped because the shares get called away.

BEGINNER CHECKLIST

- Own 100 shares before selling the call
- Pick a strike you're happy to sell at
- Understand downside risk remains
- Don't sell calls too close to your cost
- Monitor near expiration



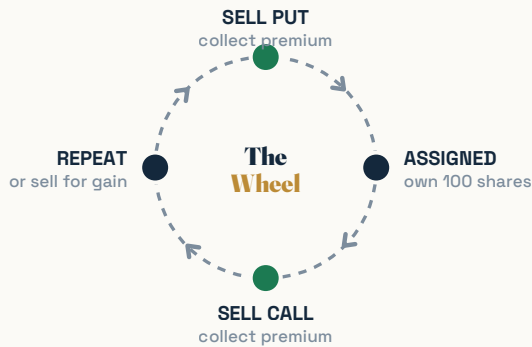
The Wheel

Turn put selling and covered calls into a repeatable cycle.

THE PLAIN-ENGLISH IDEA

The wheel **combines cash-secured puts and covered calls into a loop**. Sell a put; if the stock holds, keep the premium and repeat. If you're assigned, you own 100 shares — so you sell covered calls against them to **keep collecting premium at every stage of the cycle**.

THE CYCLE



Premium at every turn — until shares are eventually sold for a gain

WORKED EXAMPLE

DEF	
Trading @ \$40 · the loop	
1. Sell \$38 put	+\$100
2. Assigned at \$38 · basis	\$37
3. Sell \$40 covered call	+\$100
4. Called away → repeat	\$40
PREMIUM PER LOOP	+\$200
Collect the put premium, then the call premium, and may eventually sell the shares at a profit — then start the wheel again.	

WHAT CAN GO RIGHT

The stock stays stable or drifts up. You stack put premium, then call premium, and may eventually sell your shares at a profit to close the loop.

WHAT CAN GO WRONG

The stock can fall deeply after assignment. If DEF slides from \$37 to \$25, covered-call premium won't repair that loss quickly — quality matters.

BEGINNER CHECKLIST

- ✓ Only wheel quality stocks
- ✓ Be genuinely willing to own 100 shares
- ✓ Don't use all your capital on one wheel
- ✓ Have a covered-call plan before assignment
- ✓ Avoid weak stocks with fat premium

Iron Condor

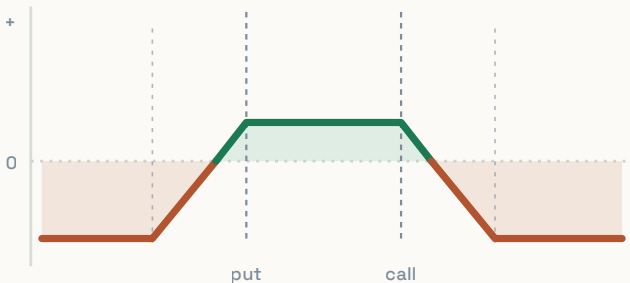


Collect premium when a stock simply stays in a range.

THE PLAIN-ENGLISH IDEA

An iron condor profits when a stock or ETF **stays inside a range**. You sell a put spread below price and a call spread above it, collecting premium from both sides. The trade-off: you need the underlying to **avoid a big move in either direction**.

THE PAYOFF SHAPE



Max profit inside the range · capped losses if it breaks out either side

WORKED EXAMPLE

XYZ ETF Trading @ \$100 · 30 DTE

Sell \$90 put / Buy \$85 put	credit
Sell \$110 call / Buy \$115 call	credit
Profit range	\$90-\$110
Net premium collected	\$120

PREMIUM COLLECTED **+\$120**

Stay between **\$90** and **\$110** and the options decay to worthless – you keep the **\$120**. More moving parts, so learn it last.

✔ WHAT CAN GO RIGHT

The stock stays inside the range. Time passes, both spreads lose value, and you keep the premium from both sides of the trade.

⚠ WHAT CAN GO WRONG

A big move hurts. Break below the put side or above the call side and the condor loses money – with more moving parts, beginners should learn spreads first.

BEGINNER CHECKLIST

- ✔ Use only when expecting a range
- ✔ Avoid earnings and major news
- ✔ Understand both sides of the trade
- ✔ Know maximum loss before entry
- ✔ Don't start here if you're totally new

AVOID THESE

Five mistakes that quietly wreck beginner accounts.

Selling options can generate income — but the edge comes from **process, not premium**. These are the traps that catch almost everyone early.

01 Chasing high premium

Fat premium usually exists for a reason — the stock may be volatile, earnings may be near, or the market is bracing for a big move. The payout is compensation for danger.

02 Selling options on poor stocks

A weak company can keep falling. A small premium can never make up for a large collapse in the underlying. Quality of the stock comes before the size of the premium.

03 Using too much size

Start small and learn the process first. Let your skill grow before your position size grows — survival is the prerequisite for compounding.

04 Ignoring earnings

Earnings can cause sharp overnight moves. Be careful whenever an expiry crosses an earnings date — it can turn a calm trade into a gap risk.

05 Thinking income is guaranteed

Option selling can produce income, but losses happen. The real job isn't to win every trade — it's to make sure no single loss can destroy your account.

The beginner roadmap, in the right sequence.

Each step builds on the last. Master the foundation before adding moving parts — that order is the whole point.

1

FOUNDATION**Learn cash-secured puts first**

The cleanest single-leg trade. Get comfortable collecting premium and being assigned quality stock you'd happily own.

2

FOUNDATION**Then learn covered calls**

The natural partner. Collect rent on shares you hold — together with puts, this is the core of most income strategies.

3

DEFINED RISK**Add put credit spreads**

Reach for these when you want defined, capped risk — especially on stocks too expensive to secure with cash.

4

CYCLE**Run the wheel on quality only**

Combine puts and calls into a repeatable loop — but only on stocks you're genuinely willing to own through a drawdown.

5

ADVANCED**Study iron condors last**

Only once spreads feel natural. More moving parts means more ways to be wrong — earn your way here.

THE NEXT STEP

Reading this is theory. Now watch it run in **real trades.**

This guide gives you the foundation. The real learning happens when you see it applied step by step — **which stocks make the cut, why certain trades are skipped, how strikes get chosen, how risk is calculated, and how every trade is tracked.**

Setups

Live option-selling ideas with the full thought process behind each one.

Why-not

The trades we skip — and the risk reasoning that keeps accounts safe.

Tracking

Strikes, sizing and outcomes logged, so you learn from real results.

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