

# Entering Tip Income in TaxSlayer

Reference: Pub 4012, page D-9

**Income:** Answer the following questions on the left side of this page. Check only the boxes that apply to you and/or your spouse.

Received money from any of the following in 2024:	(To be completed by certified volunteer) Income to be included	Notes/Comments
<input type="checkbox"/> (B) Wages as a part-time or full-time employee How many jobs _____	<input type="checkbox"/> (B) W-2s # _____	
<input checked="" type="checkbox"/> (B/A) Tips	<input type="checkbox"/> (B/A) Tips (Basic when reported on W2)	
<input type="checkbox"/> (B/A) Retirement account, pension or annuity proceeds	<input type="checkbox"/> (B/A) 1099-R (Basic when taxable amount is reported) # _____	
	<input type="checkbox"/> (A) Qualified Charitable Distribution From 1099-R \$ _____	

All cash and non-cash tips an employee receives are considered income and are subject to Federal income taxes. If the taxpayer answers “Yes” to Tip Income on **Form 13614-C**, ask if the tips are included on **Form W-2** in **Box 8**. Employees are required to report to an employer the amount of any tips received if they exceed \$20/month. These so-called “reported” tips appear on **Form W-2** in **Box 8** as **Allocated Tips**.

If the tips are not reported on the **W-2**, the return is Advanced and the tip amounts must be entered in Tax Slayer.

### To enter unreported tips exceeding \$20/month:

1. Navigate to the **W-2** screen and enter all information from the **W-2** as usual.
2. Click below **Box 10** and enter the amount of unreported tips in “**Unreported Tips**”.

Unreported Tips

**Note:** This will add **Form 4137, Social Security and Medicare Tax on Unreported Tip Income** to the return. No further entries or actions are needed.

3. Continue with tax return preparation.

### To enter unreported tips totaling less than \$20/month:

1. Navigate to the **W-2** screen and enter all information from the **W-2** as usual.
2. Click below **Box 10** and enter the amount of unreported tips in “**Unreported Tips**”.

Unreported Tips

3. Navigate to **Other Taxes**→**Tax on Unreported Tip Income**.

4. Click in the **Cash and charge tips you received but did not report to your employer because the total was less than \$20 in a calendar month** field and enter the same amount of tips from step 2 above.
5. Continue with tax return preparation.