

How to Handle Tips With EzPaycheck Payroll Software in Restaurants?

Step by step guide on how to handle tips with ezPaycheck small business payroll software

Restaurant payroll is very special because you need to handle tips.

For example: You need pay your waitress \$95, and her tip is \$50. So you need to report \$145 to the government. However, you just need to pay her \$95 in the paycheck.

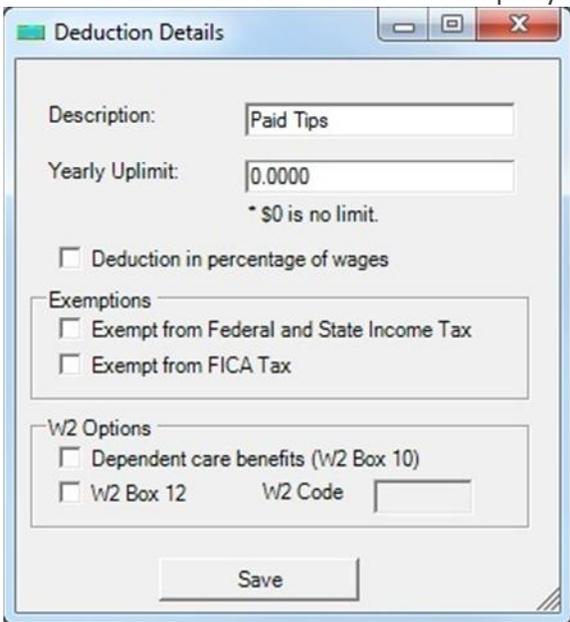
Can [ezPaycheck payroll software](#) handle it? Yes, ezPaycheck can work for your restaurant payroll.

In this case, you can add a customized deduction such as "Paid Tips" and deduct this amount from your paycheck.

Followings are the steps:

Step 1: Add a new deduction

- Start ezPaycheck application. (If you have not installed it, you can download ezPaycheck from http://www.halfpricesoft.com/payroll_software_download.asp)
- Click the left menu "Company Settings->Deductions" on left menu and open the Company Deduction Setup.
- Check one Customized deduction, and then click the button behind it to open Deduction Details form.
- Input "Paid Tips" as the new name.
- Click the "Save" button and closed Deduction details page.
- Click the "Save" button on Company Deduction Setup form to update database.



Deduction Details

Description:

Yearly Uplimit:
* \$0 is no limit.

Deduction in percentage of wages

Exemptions

Exempt from Federal and State Income Tax

Exempt from FICA Tax

W2 Options

Dependent care benefits (W2 Box 10)

W2 Box 12 W2 Code

Step 2: Generate a new check

After you add this deduction, you will see a new deduction field in your paycheck. When you generate a new check, you just need to enter your hourly pay, tips and paid tips. ezPaycheck will handle the taxes for you.

Payroll Data Input

Pay Check Information

Employee Name: Check Number: Pay Date: **Weekly**

SSN: Pay Start: Pay End:

Incomes and Deductions

| Incomes: | Rate (\$): | Hours: | Amount (\$): | YTD (\$): |
|-----------------|------------|--------|--------------|-----------|
| Regular Hourly | 9.50 | 10.00 | \$95.00 | \$95.00 |
| Vacation Hourly | \$9.50 | 0 | \$0.00 | \$0.00 |
| Sick Hourly | \$9.50 | 0 | \$0.00 | \$0.00 |
| Overtime Hourly | 15.50 | 0 | \$0.00 | \$0.00 |
| Bonus | -- | -- | 0.00 | \$0.00 |
| Commissions | -- | -- | 0.00 | \$0.00 |
| Tips | -- | -- | 50.00 | \$50.00 |

| Deductions: | Input: | Annual Limit(\$): | Amount (\$): | YTD (\$): |
|-----------------------|--------|-------------------|--------------|-----------|
| Health Insurance (\$) | 0 | -- | \$0.00 | \$0.00 |
| 401K (\$) | 0 | -- | \$0.00 | \$0.00 |
| paid tips (\$) | 50 | -- | \$50.00 | \$50.00 |

Taxes

| Items: | Amount (\$): | YTD (\$): |
|-----------------------------|--------------|-----------|
| Federal Tax | \$2.90 | \$2.90 |
| Employee Social Security | \$8.99 | \$8.99 |
| Employee Medicare | \$2.10 | \$2.10 |
| State Tax | \$0.00 | \$0.00 |
| Local Tax | 0.00 | \$0.00 |
| Employer Tax | | |
| Employer Social Security | \$8.99 | \$8.99 |
| Employer Medicare | \$2.10 | \$2.10 |
| Employer Fed Unemployment | \$8.99 | \$8.99 |
| Employer State Unemployment | \$2.90 | \$2.90 |

Summary

| | | |
|----------------------|----------|----------|
| Gross Income: | \$145.00 | \$145.00 |
| Taxable Income: | \$145.00 | |
| FICA Taxable Income: | \$145.00 | |
| Total Employee Tax: | \$13.99 | |
| Total Employer Tax: | \$22.98 | |
| Total Deduction: | \$50.00 | |
| Net Pay: | \$81.01 | \$81.01 |

Calculate Check Save Check Close

To learn more about **ezPaycheck payroll software**, click here <http://www.halfpricesoft.com/index.asp>

