THE TGT TIPPED PAYCHECK DECODER

Staff Cheatsheet • Eighteen Ink LLC d/b/a Taneyhill's Group Therapy

OFFICIAL STAFF GUIDE

Five Points • Columbia, SC

1. TOTAL GROSS PAY		2. MANDATORY TAXES		3. NET PAY (DIRECT DEPOSIT)
Hourly + Tips	**–**	**FICA + FIT + SC SIT**	**=**	**Your Actual Bank Deposit**
All taxable earnings		Statutory government cut		Final spendable cash

1 THE 3 BIG TRUTHS: WHY YOUR DEPOSIT ≠ YOUR TIP TOTAL

1. Tips Are 100% Taxable

Uncle Sam and SCDOR treat every dollar in credit card and reported cash tips as standard income. You are taxed on your **entire earnings**, not just the $2.13/hr base pay.

2. Hourly Wage Pays Taxes First

Your base wage ($2.13 × hours) is automatically applied toward your tax bill first. Because that's not enough to cover the taxes on big tips, the rest comes out of your card tips.

3. Higher Tips = Higher Brackets

Payroll systems **annualize** each check. A monster gameday week makes the system assume you earn that all 52 weeks, temporarily pushing that check into a higher tax bracket tier.

2 REAL PAYSTUB WALKTHROUGH (WHERE DID THE MONEY GO?)

SECTION	LINE ITEM DESCRIPTION	CALCULATION BASIS	AMOUNT
Gross Earnings	Base Hourly Direct Wage	32.70 hrs × $2.13/hr	**+$69.65**
Gross Earnings	Paycheck Tips (Cards + Reported Cash)	Shift POS credit card batch	**+$1,245.00**
TOTAL GROSS TAXABLE INCOME		Hourly + Tips combined	**$1,314.65**
Taxes Withheld	Social Security (FICA) — Fixed 6.20%	$1,314.65 × 0.0620	**–$81.51**
Taxes Withheld	Medicare (FICA) — Fixed 1.45%	$1,314.65 × 0.0145	**–$19.07**
Taxes Withheld	Federal Income Tax (FIT)	IRS W-4 progressive bracket table	**–$119.42**
Taxes Withheld	SC State Income Tax (SC SIT)	SCDOR State bracket table	**–$66.26**
TOTAL TAXES DEDUCTED		Base wage ($69.65) + Tips ($216.61)	**–$286.26**
NET TAKE-HOME DIRECT DEPOSIT		**Gross ($1,314.65) – Taxes ($286.26)**	**$1,028.39**

3 COMPARING TWO SHIFTS: AVERAGE WEEK VS. GAMEDAY WEEK

Average Week Paystub — Standard Volume

Hours Worked:	32.0 hrs
Base Hourly Pay ($2.13):	$68.16
Paycheck Tips:	**$1,200.00**
Total Gross Pay:	$1,268.16
Total Taxes Withheld:	–$266.01
Actual Direct Deposit:	**$1,002.15**

Big Gameday Week Paystub — Gameday Surge

Hours Worked:	32.0 hrs
Base Hourly Pay ($2.13):	$68.16
Paycheck Tips:	**$2,100.00**
Total Gross Pay:	$2,168.16
Total Taxes Withheld:	–$560.86
Actual Direct Deposit:	**$1,607.30 (+$605 More!)**

Key Takeaways for TGT Staff:

- **More Tips Still Means More Cash:** Higher brackets only apply to the dollars *above* the threshold. You always take home substantially more total money when you make more tips.
- **Want To Change Your Withholding?** Fixed FICA taxes (7.65%) are set by federal law, but you can adjust your Federal (FIT) and SC State tax withholdings at any time by submitting an updated **Form W-4** to management.
- **100% Tip Ownership:** Under FLSA § 203(m), 100% of tips belong to staff. Managers, supervisors, and owners never take a cut.