



# **Unicorn HRO**

## **Tips Processing**

iCON gives you the ability to track and report tip information. Tip credits and allocated tips are automatically calculated.

***Set-up Instructions***

Payroll Deductions common object	Add values for an offset deduction for each Declared Tip pay type
Deduction Definition	Define offset deduction(s)
Employer Deduction Contributions	Define offset deduction(s)
Pay Codes common object	Add values for: <ul style="list-style-type: none"> <li>▪ Tip Credit (one)</li> <li>▪ Declared Tips (at least one; you can have separate codes for cash tips, charge tips, etc.)</li> </ul>
Pay Code Definition	Add values for: <ul style="list-style-type: none"> <li>▪ Tip Credit</li> <li>▪ Declared Tips: these pay types must have an offset deduction, since the employee has already received the money and it is only being recorded</li> </ul>
Pay Code Definition	For pay that represents tipped hours, the Base Wage checkbox must be on. For non-tipped hours, it must be off.
Tip Type common object	These values must exist: <ul style="list-style-type: none"> <li>▪ Blank: *no value</li> <li>▪ D: Direct</li> <li>▪ I: Indirect</li> </ul>
Organization Setup	All establishments (locations) must be defined at the same organization level number.
Job Titles	For directly or indirectly tipped job, specify the Tip Type.
Position Control	Add positions. The Tip Type will default to the value specified in Job Title Information when a position is added. It can be overridden if necessary. If positions already exist, the Tip Type must be entered. Assign employees to positions.
Minimum Wage	Enter Federal minimum hourly wage, and state minimum wage amounts, if any.
Misc. Payroll	Tipped employees must be non-exempt for time card reporting.

### ***Processing Tip Credits***

Time and Attendance	Enter employees' hours for tipped and non-tipped hours (as defined in the Base Wage checkbox). Also enter declared tips, which are entered as a Fixed rate, with a dollar amount. The Organization levels on the Time and Attendance record will default to the employee's home organization. If the employee worked in a different location, override the Organization levels.
Payroll Feeder	If an employee's Base Wages plus Declared Tips, divided by the number of hours worked (for Base Wages), does not equal the State minimum wage of the employee's Work State in Employee Payroll (or if none, the Federal minimum wage), a tip credit is calculated for the difference. The tip credit pay type is automatically entered into Time and Attendance with a Fixed amount for the difference. It is included on the employee's pending payment. This applies to directly and indirectly tipped employees.

### ***Processing Allocated Tips***

Establishment Gross Receipts	After the payroll has been closed, enter gross receipts for each establishment.
Employee Gross Receipts	For each establishment where the employee worked (Time and Attendance records exist), enter the total amount of the food and beverage sales. This is only done for directly-tipped employees. The total of all employees' gross receipts must equal the establishment receipts for the same Scheduled Date. When they do, click on the Process button. If any employees get allocated tips, they will be written to the TipEE_Mast table.
Tip Allocation Report	This report will show the amounts used for allocating tips.
Tip Inquiry	<ul style="list-style-type: none"> <li>▪ If you select by establishment, you will see the allocated tips by pay period.</li> <li>▪ If you select by employee, you will see the allocated tips for MTD, QTD and YTD (these are calculated fields, based on the Issuance Date of the payments).</li> </ul>

### ***Reporting***

SUI reporting	Tip information is written to Nevada and Wyoming files, and Wyoming's SUI report, per state requirements
W-2 forms	Box 3: YTD FICA Tax Base, minus YTD Declared Tips Box 7: declared tips Box 8: allocated tips
W-2 files: federal and state	FICA wages, declared tips and allocated tips and written per current electronic reporting instructions.
Quarterly FIT/FICA/FICM Report	Quarterly FICA Wages and FICA Tips print.
Quarterly Puerto Rico FICA/FICM Report	Quarterly FICA Wages and FICA Tips print.