



## 2019.20 Training

***Subject: How a Second Job or Side Gig Affects Your Taxes | Talking Points***

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### **Did you do additional work as a freelancer or independent contractor?**

If you work as a freelancer, independent contractor, for cash, or in a side gig you are considered self-employed and include a Schedule C, Sole Proprietor, on your tax return. Whether you get a Form 1099-MISC, Form 1099-K, or just cash or checks and must track the income yourself, you must claim all of your income.

### **What if I have multiple W-2 forms?**

Make sure you don't pay too much in Social Security taxes. There is a maximum amount of Social Security taxes you must pay each year. If you work for one employer, they will stop withholding your Social Security taxes once you reach that point. The maximum Social Security earnings this year is \$128,400, and your maximum Social Security taxes are \$7,960.80. If you worked for one employer and paid too much, you must contact your employer for a refund of the overpayment. If you work for more than one employer, you can claim any excess Social Security taxes paid when you file your tax return.

### **Will working a second job affect my taxes?**

Anytime you increase your income, you have the potential of increasing your taxes. Make sure you are withholding the right amount to cover your taxes and if you are self-employed, make sure you are keeping receipts of all your expenses as well as a journal of all the miles you are driving for your job.

### **If I earned less than \$400 from my second job, do I have to claim it?**

You must claim all the income you earn from any job. If you are/were an employee for someone during the year, they must issue you a W-2 reporting your wages, Social Security, and Medicare taxes withheld, and any federal and state income taxes withheld. If you are working as an independent contractor, have a side gig, or are starting your own business, keep track of your income and expenses and report them on your tax return.