

**Accounting Aid Society**  
**Payments Received for Services Performed as an Election Worker**  
**Instructions for TaxSlayer Pro Online 2020**

**Background**

Individuals who receive payment for services performed as an election worker should report those payments as wages on the federal tax return. According to the IRS, government entities must file a Form W-2 for election workers who receive payments of \$600 or more, even if no FICA and income tax were withheld. However, we are seeing that City of Detroit and some other government entities are reporting these payments on Form 1099-NEC, Nonemployee Compensation, for tax year 2020.


Income received as an election worker is not self-employment income and should not be subject to self-employment tax. In addition, it is earned income and should be included in the calculation for the earned income tax credit and the additional child tax credit. A workaround is required in TaxSlayer to achieve the proper reporting on the tax return for payments received for services performed as an election worker.

**Workaround Instructions for TaxSlayer Pro Online**


Notes:

- If a taxpayer received Form W-2 reporting payments for election work, enter information on the W-2 page. No additional entries are needed.
- For each of the three taxpayer situations shown below, the result of the workaround will be:
  - The amount paid for election work will be reported as wages (line 1 of the 2020 Form 1040),
  - The amount will be included as earned income,
  - Schedule SE, Self-Employment Tax, will not be generated, and,
  - For those taxpayer who received Form 1099-NEC or Form 1099-MISC, the avoidance of any IRS matching issues.
- After the workaround entries are completed, “HSH” will be printed on the dotted line to the left of the amount of wages shown on the PDF of the 1040. Please inform taxpayers that this is where their payments for election work are being accurately reported.
- All of the entries below are in the Federal Section of TaxSlayer


**Situation I** – Taxpayers who received payment for services performed as an election worker and who did **not** receive an information return, i.e., W-2, 1099-NEC, or 1099-MISC:

1. Go to Income >> Less Common Income >> Other Compensation >> Household Employee Income
2. On the *Enter Household Employee Income* page, click on the Itemized Amounts icon  located to the right of the Amount Paid entry field
3. Enter “Election Worker” for the description and enter the amount of the payment
4. Note: The wages line on the PDF of Form 1040 should show the payment amount for election work

**Situation II** – Taxpayers who received Form 1099-NEC, Nonemployee Compensation, reporting payment for election work:

1. Enter information on the *1099-NEC* page (Income >> 1099-NEC)
2. On the *Transferring 1099-NEC to Schedule C* page, select CREATE SCHEDULE C (even if income is less than \$400, the threshold for calculating self-employment tax)
3. On the *Schedule C* page, scroll down and enter “999999” as the Business Code and “Election Worker” as the Description of Business. Click Continue.
4. Select Other Expenses. Enter “Election Worker Offset” as the Description and enter the amount from the 1099-NEC. DO NOT enter any other expenses.
5. Go to Income >> Less Common Income >> Other Compensation >> Household Employee Income
6. On the *Enter Household Employee Income* page, click on the Itemized Amounts icon located to the right of the Amount Paid entry field 
7. Enter “Election Worker” for the description and enter the amount of the payment shown on Form 1099-NEC
8. Note: The wages line on the PDF of Form 1040 should show the payment amount for election work and the Net profit or (loss) line on Schedule C should be blank

**Situation III** – Taxpayers who received Form 1099-MISC, Miscellaneous Income, reporting payment for election work (This may apply for tax years 2019 and prior.):

1. Enter information on the *1099-MISC* page (Income >> 1099-MISC)
2. Go to Income >> Less Common Income >> Other Income Not Reported Elsewhere
3. On the *Other Income* page, enter “Election Worker Offset” as the description and enter *as a negative*, the amount from Form 1099-MISC. DO NOT check the Earned Income checkbox.
4. Go to Income >> Less Common Income >> Other Compensation >> Household Employee Income
5. On the *Enter Household Employee Income* page, click on the Itemized Amounts icon located to the right of the Amount Paid entry field 
6. Enter “Election Worker” for the description and enter the amount of the payment shown on Form 1099-MISC
7. Note: The wages line on the PDF of Form 1040 should show the payment amount for election work and Schedule 1, line 8 should be blank for this income