

W-2
Employee

VS

1099
Contract
Worker

Being a W-2 employee doesn't mean your employer is taking a cut of your pay. In fact, a W-2 employee status means your employer pays your payroll taxes so you don't have to sweat it during tax season!

Average Income

ShiftMed Earnings
\$30,000



Self-employment Earnings
\$30,000

Social Security & Medicare Taxes

7.65% Paid by You
.....
\$2,295

7.65% Paid by ShiftMed
.....
\$2,295



15.3% Paid by You
.....
\$4,590

Administrative Burden

Employer Withholds

As an employer, ShiftMed will withhold Social Security, Medicare, Federal and State taxes and remit on your behalf, making it easier come tax time.



You Make Payments

You have to calculate and remit Social Security, Medicare, Federal, and, if applicable, State tax payments throughout the year.

Tax Time

As an employee, you'll receive a **Form W-2** showing your earnings and the taxes ShiftMed has withheld on your behalf.



As an independent contractor, you will receive a **1099 form** from each business you have worked for that isn't your employer. It will show total payments received.

As a 1099 contractor, you are allowed to deduct half of your Social Security and Medicare Taxes paid when calculating Federal taxes, but as an employee you are not.

Earnings	\$ 30,000
Allowable deduction	(0)
Taxable Income	\$ 30,000



Earnings	\$ 30,000
Allowable deduction	(2,295)
Taxable Income	\$ 27,705

In addition to Social Security and Medicare taxes, Federal, and if applicable, State taxes need to be calculated.

Tax Rate	12%
Total Federal Tax	\$ 3,600	

Tax Rate	12%
Total Federal Tax	\$ 3,325	

Money In Your Pocket

Earnings	\$ 30,000
SS & Medicare taxes	(2,295)
Federal taxes	(3,600)
Total In-pocket	\$ 24,105



Earnings	\$ 30,000
SS & Medicare taxes	(4,590)
Federal taxes	(3,325)
Total In-pocket	\$ 22,085

Additional Cash
\$ 2,020

What are you waiting for?

If you're not already a ShiftMed employee, what are you waiting for? Download our app to start doing the work you love when and where you want.



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