Pay Check Deductions

Using the paycheck information below; calculate what percent each of the following

is of the gross (pretax) income and write it on the lines after the questions:

Use paycheck information to answer questions below.

1. Federal Income Tax

2. State Income Tax

3. FICA

4. Medicare Tax

5. Total Deductions

**True or False Paycheck Quiz**

Check your understanding of taxes by answering the following questions.

1. Net pay is the total amount of income you receive during a pay period before taxes.

[ ]  True [ ]  False

1. FICA Federal Insurance Contributions Act

[ ]  True [ ]  False

Looking at it from the employer’s math

 

An employer has one employee, Bob Jones, who is paid $1800.00

per month before deductions. Bob is married and claims two

exemptions. His net paycheck is $1478.10. The details of his paycheck are:

 ⚫ Gross pay $1800.00

⚫ Federal income tax -145.00

⚫ State tax -39.20

⚫ FICA tax -111.60

 ⚫ Medicare tax -26.10

**Net pay $1478.10:** In addition, the employer must pay $111.60 for FICA and $26.10 for Medicare.

**Question**: What is the employer’s total labor expense for this month?

Solutions:

1. Federal Income Tax $45.22

2. State Income Tax $17.37

3. FICA $45.22

4. Medicare Tax $6.96

5. Total Deductions $273.06

1. False
2. True

The employer’s total labor expense for this

month is $1800.00 + $111.60 + $26.10 = $1937.70.