


\$

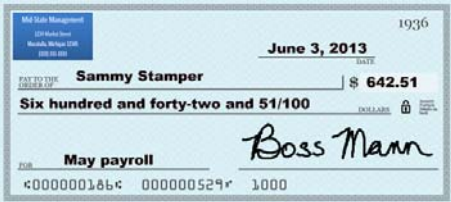


Financial Literacy
Gross Pay, Payroll Deductions, and Net Pay




\$

Financial Literacy
Gross Pay, Payroll Deductions, and Net Pay



1936
June 3, 2013
Sammy Stamper \$ 642.51
Six hundred and forty-two and 51/100
May payroll
Boss Mann
⑆000000166⑆ 000000529⑆ 1000



\$

Financial Literacy
Gross Pay, Payroll Deductions, and Net Pay

Gross Pay 39.5 hours x \$12.85/hour = **\$507.58**

Less Deductions

Federal Income Tax	- \$46.18
Social Security Tax	- \$42.79
Medicare Tax	- \$14.72
State Income Tax	- \$22.05
Health Insurance	- \$52.00
401K	- \$50.00

Net Pay **\$279.83**



Financial Literacy
Gross Pay, Payroll Deductions, and Net Pay

Liberal Corporation
Payroll Account

Check # 12345
Date: July 31, 20XX

Pay to the order of: I.M. Fictitious \$1,834.⁰⁰

*****ONE-THOUSAND, EIGHT-HUNDRED, THIRTY-FOUR AND NO/100 DOLLARS*****

MEMO
July payroll for Fictitious *Certainly Void*

Detach below before depositing, and save for your records.

Employee: I.M. Fictitious	Gross Earnings:	\$3,000.00
Pay period: July 20XX	Deductions:	
	Federal Income Tax	\$349.00
	State Income Tax	117.00
	Social Security	180.00
	Medicare/Medicaid	45.00
	Insurance	175.00
	Retirement Savings Plan	200.00
	Charity	25.00
	Health/Child Care Plan	75.00
	Net Pay	\$1,834.00

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Federal Income Tax

Graduated Tax Rate

If taxable income is over--	But not over--	The tax is:	of the amount over--
\$0	\$0	10%	\$0
\$8,500	\$8,500	\$850.00 + 15%	\$8,500
\$26,000	\$34,500	\$4,750.00 + 25%	\$34,500
\$48,500	\$83,600	\$17,025.00 + 28%	\$83,600
\$83,000	\$174,400	\$42,448.00 + 33%	\$174,400
	\$379,150	\$110,016.50 + 35%	\$379,150

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Federal Income Tax
Social Security Tax
Medicare Tax

2011 U.S. Federal Spending

Category	Amount	Percentage
Medicare & Medicaid	\$820 B	23%
Social Security	\$725 B	20%
Defense Department	\$700 B	19%
Discretionary	\$648 B	18%
Other Mandatory	\$465 B	13%
Net Interest	\$227 B	9%
Total	\$3,598 B	

Source: CBO Historical Tables

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and Net Pay

Net Pay

Personal Budget

Category	Percentage	Annual Amount	Monthly Amount
Total Income	100.0%	\$26,000	\$2,167
Income After Deductions	56.0%	\$14,560	\$1,213
Percentages below are of Income After Deductions			
Housing	28.8%	\$4,200	\$350
Food	30.0%	\$4,368	\$364
Automobile	24.0%	\$3,500	\$292
Insurance	6.2%	\$900	\$75
Debt Repayment	0.0%	\$0	\$0
Entertainment and Recreation	6.6%	\$960	\$80
Clothing	3.4%	\$500	\$42
Saving	6.9%	\$1,000	\$83
Medical/Dental	1.4%	\$200	\$17
School/Childcare	0.0%	\$0	\$0
Investments	0.0%	\$0	\$0
Miscellaneous	4.1%	\$600	\$50
Total	111.5%	\$16,228	\$1,352

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