

Paychecks

Directions: Complete the following questions.

1. Approximately what percentage of a person's paycheck is deducted for taxes?
 - 31%
2. What are the three methods an employer may use to pay his/her employees?
 - direct deposit, payroll card, paper paycheck
3. How does direct deposit work?
 - employees directly deposit their payroll into their bank account with the paystub
4. How does a payroll card work?
 - It is a prepaid card that is offered to employees as an alternative to paper paychecks or directly depositing wages into an employee's depository institution account.
5. What two forms must an employee complete when beginning a new job?
 - Form W-4, Form I-9
6. What do taxes provide citizens?
 - public services, roads, schools, firefighting services
7. How are federal taxes determined?
 - the amount of money earned and the information provided on the form W-4
8. What services are provided by the Internal Revenue Service?
 - the governmental agency responsible for collecting federal taxes, issuing regulations, and enforcing tax laws written by the United States Congress
9. What does the Form W-4 determine?
 - the amount of federal taxes withheld from the paycheck
10. What is a dependent?
 - is a person who relies on the taxpayer for financial support
11. What documentation must be provided to complete a Form I-9?

- driver's license, passport, social security card, and birth certificate

12. What is a pay period?

- the period when you get paid, can be every week, every month

13. How is gross pay calculated?

- hourly wage by how many hours worked

14. What is net pay?

- the amount of money left after all deductions have been withheld from the gross pay earned during the period

15. What does Social Security fund?

- the elderly

16. What percentage of gross income is deducted for Medicare?

- 1.45%