

Name _____ Date _____ Period _____

Understanding Your Paycheck

Stephen works full-time during the summer at a local fast-food restaurant. He just received his first paycheck. Use the paycheck stub below to answer the following questions about his paycheck.

1. Identify the important parts of his paycheck in the space provided.

A. _____ B. _____ C. _____

TOTAL HOURS	YOU EARNED AND WE PAID				TOTAL	WE PAID OUT THESE AMOUNTS FOR YOU								NET AMOUNT	PERIOD ENDING	
	REGULAR	OVERTIME				F. I. C. A.	FEDERAL WHITAX	STATE WHITAX								
40	320	00			320 00	19	20	35	20	10	50					255 10 2/10

9 SHAW-WALKER-ROPI SPOT®

EMPLOYEE'S STATEMENT OF EARNINGS AND DEDUCTIONS. RETAIN THIS STUB FOR YOUR RECORDS.

The Goodheart-Willcox Company, Inc. Tinley Park, IL 60477

2. What was Stephen's gross pay? _____
3. How much were the total deductions made from his paycheck? _____
4. What was Stephen's net pay? _____
5. How many hours did Stephen work last week? _____
6. What is his hourly wage? _____
7. When Stephen started his job, his employer asked him to fill out Form W-4. Why? _____
8. Stephen is single and is claimed on his parents' tax return as an exemption. Can Stephen claim himself as an exemption on his Form W-4? Explain. _____
9. What Social Security taxes were deducted? _____
10. What other types of deductions could be taken out of Stephen's paycheck? _____

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Tax Opinions

For each statement below, indicate whether you agree or disagree by circling one of the terms. Explain your decisions and be prepared to discuss your opinions with the class. (There are no right or wrong answers.)

1. Income tax is the fairest tax. (Agree, Disagree) Explain. _____

2. A sales tax is not fair to some groups in a community. (Agree, Disagree) Explain. _____

3. An excise tax on gasoline is a fair tax. (Agree, Disagree) Explain. _____

4. Everyone should pay the same taxes regardless of their income level. (Agree, Disagree) Explain. _____

5. The government makes good use of our tax dollars. (Agree, Disagree) Explain. _____

6. Paying taxes is necessary so the government can operate smoothly. (Agree, Disagree) Explain. _____
