

1-4

# Deductions



# Goals

- Look at what taxes are used for
- Why a new employee fills out a W-4 form
- Calculate take home pay



Chippewa Valley Schools  
19120 Cass Avenue  
Clinton Township, Michigan 48038

TYPE	HRS/DAYS	RATE	AMOUNT	TAXES/DED.	CURRENT	YTD
WAGE	1.00		3525.16	FEDERAL TAX	248.30	6115.13
WAGE				STATE TAX	95.89	2108.63
WAGE				LOCAL TAX	.00	.00
WAGE				FICA MEDICARE	47.07	999.12
WAGE				FICA SOC SEC	201.30	4272.12
WAGE				RETIRE. MIP	151.58	3003.88
WAGE				DEFERRED 403b	645.00	14177.00
WAGE				DEFERRED 457	.00	.00
WAGE				DEPENDENT CARE	205.89	
WAGE				BASIC H R CONNE	73.54	
WAGE				RETIRE. SERV CR	100.00	1900.00
WAGE				MEA DUES	105.46	
WAGE				DIRECT DEPOSIT	1651.13	

TOTAL EARNINGS 3526.16

CHECK DATE 10/15/08 NET PAY .00 MICHAEL T

ATTENDANCE  
SICK LEAVE

# TAXES

- Nations Defense
- Social Security c.1935
- Medicare
- Interest on the national debt

# FICA

- Income security
- Medicare
- Disability Insurance
- Survivor's Insurance
- Retirement Benefit

# Medicare

- Health Insurance
- Over age 65
- Hospital insurance
- Medical insurance

# Form W-4

- Determines the amount an employer will deduct
- Factors include:
  - Income level
  - Marital status
  - # of withholding allowances
  - W-4

# Gross Pay

- Total earnings based on your salary or wage





# Net Pay

- The amount of your paycheck after federal and state taxes and other deductions.
- What you actually take home

# Deduction

- An amount of money subtracted from your gross pay for things such as
- FICA
- Federal and state taxes
- Insurance
- Union dues
- Dependant care
- About 20-30% of your gross pay

# Assignment

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