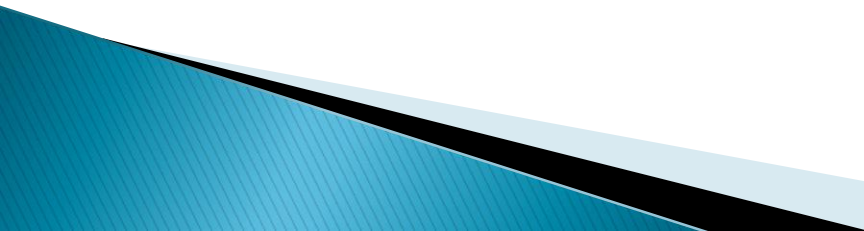


4-1 EMPLOYEES ARE PART OF THE COMPANY

Chapter 4 A Venture into Business



Skill 2 : Payroll Register for Weekly Deductions

- ▶ To determine federal income tax withholding consult the tax tables. (pg 651)
 - ▶ FICA withholding is found by taking 7.65% of gross pay.
- 

Skill 2

Payroll Register for Weekly Deductions

Employee	Gross Pay	Income Tax Withholding	FICA Withholding	Total Deductions	Take-Home Pay
Peter	\$150.00				
Meg	\$247.50				
Brian	\$126.00				
Chris	\$58.50				
Stewie	\$312.50				
Total	\$894.50				

Skill 4 : Monthly Payroll Summary

Monthly Payroll Summary
Employee: Peter

Week Ending	Gross Pay	Income Tax Withholding	FICA Withholding	Take-Home Pay
2-Oct	\$150.00	16	\$11.48	122.53
9-Oct	\$100.00			
16-Oct	\$91.00			
23-Oct	\$72.00			
30-Oct	\$94.00			
Totals	\$507.00			

Skill 3

- ▶ There is a limit to the amount of your income that is subject to FICA tax.
 - Social Security:
 - 6.2% of all income at or under \$57,600
 - Medicare:
 - 1.45% of all income at or under \$135,000

▶ Exercise:

- If you make \$72,000 a year how much do you pay in Social Security and Medicare taxes?

- $.062 * 57600 = 3571.20$

- $.0145 * 72000 = 1044.00$

- Total = 4615.20

hw

- ▶ P.141
- ▶ 6-17 all