



Personal Finance

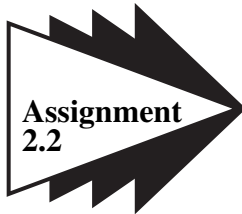
Week #1

Sample Lesson for the Jump\$tart Coalition's "Know Your Take-Home Pay" Principle

Prepared by the National Endowment for Financial Education



My Notes



Done

"Analyzing Pay Stubs"

Lucinda has a part-time job after school and on weekends at Blue Wisp Cleaners. To help you better understand the difference between gross pay, net pay, and some common payroll deductions, analyze the pay stub for Lucinda on page 39. Then answer the following questions.

1. Who is Lucinda's employer? _____
2. What is the length of the pay period Lucinda just worked?

3. How many total hours did Lucinda work during this pay period? _____
4. What amount per hour does Lucinda get paid for regular hours worked? _____
5. Did she work any overtime this period? _____
If so, how many hours? _____
6. What amount per hour does Lucinda get paid for overtime?

7. What is Lucinda's gross income for this pay period? _____
8. List the type and amount of each payroll deduction for Lucinda this pay period.

9. What was the total amount of her deductions this period?
_____ YTD? _____
10. What is Lucinda's net income (take-home pay) for this pay period? _____
11. What amount has been available for Lucinda's financial objectives YTD? _____

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My Notes



Blue Wisp Cleaners

Employee: Lucinda Smith
SSN: 000-11-0000
Pay Period: 11/9/97 to 11/16/97
Pay Date: 11/16/97
Net Pay: \$231.71
Check No: 006022

HOURS			EARNINGS				
	Regular	O/T	Regular	Overtime	Bonus	Other	Gross Pay
T/P	40	6	\$240.00	\$54.00	—	—	\$294.00
YTD			\$960.00	\$135.00			\$1,095.00
DEDUCTIONS							
	Social Security Tax	Medicare Tax	Federal W/H Tax	State W/H Tax	Pension	Other	Net Pay
T/P	\$18.23	\$4.26	\$29.00	\$10.80			\$231.71
YTD	\$67.89	\$15.88	\$102.00	\$32.00			\$877.23

O/T = Overtime
 T/P = This Period
 YTD = Year to Date



**Assignment
 2.2
 (Cont'd)**



Name _____ Date _____

PAYCHECK MATH

Directions: In the following example, employees are paid an hourly rate of \$8.80 for the first 40 hours within a given week. Any hours over 40 are paid at the "time and a half" rate," which is \$13.20. Calculate the gross pay in the table below. The first one has been done for you.

Hours Worked	# hrs @ \$8.80	Regular Pay	# hrs @ \$13.20	Overtime Pay	Gross Pay
52	40 hours	\$352.00 (40 x \$8.80)	12	\$158.40 (12 x \$13.20)	\$510.40 (352 + 158.40)
25					
32					
40					
47					
50					
54					
60					

Assume that the required income withholdings are 27% of the total. Record the Net Pay below.

Hours Worked	Gross Pay	Deductions	Net Pay
52	\$510.40	\$137.81 (510.40 x .27)	\$372.59 (510.40 - 137.81)
25			
32			
40			
47			
50			
54			
60			