Welcome to Planet Paycheck!
While visiting Planet Paycheck the vast world of a paycheck will be explored.

So, you are thinking about getting a job. What would you do with the money you earned?

---

### STARTING A NEW JOB

- **Taxes** — required citizen charges by local, state, and federal governments. The money is used to provide public goods and services such as police, fire and emergency services, schools, and roads. Approximately 30% of every paycheck goes to taxes.

- **Form W-4** — also known as an Employee’s Withholding Allowance Certificate. The information provided on this form determines the percentage of gross income to be withheld for taxes.

- **Form I-9** — also known as the Employment Eligibility Verification Form. It is used to verify the eligibility of individuals and to avoid hiring non-United States citizens. Employees must provide a driver’s license, passport, Social Security card or birth certificate to prove their identity.

- **Form W-2** — also known as a Wage and Tax Statement. It states the amount of money earned and taxes paid throughout the previous year. The Form W-2 is used to file taxes.

---

What services have you used today provided by taxes?
1. **Paycheck** — The employer physically provides the employee with his/her **paycheck**: money given to an employee for work completed. The paycheck stub is attached to the paycheck to show the payroll withholdings. The employee is responsible for handling the paycheck.

2. **Direct Deposit** — Employers directly deposit the employee’s paycheck into his/her authorized bank account. On payday, the employee receives a paycheck stub detailing the payroll withholdings.

3. **Payroll Card** — This is the newest method. A payroll card is issued to the employee through the employer and it electronically carries the balance of the employee’s net income.

### Terrific Tacos

<table>
<thead>
<tr>
<th>Employee</th>
<th>SSN/Employee Identification Number</th>
<th>Check #</th>
<th>Check Amount (net pay)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smith, Sam</td>
<td>201-92-4856</td>
<td>164</td>
<td>$146.68</td>
</tr>
</tbody>
</table>

| Employee Address    | 293 Michael Grove                  |

<table>
<thead>
<tr>
<th>Pay Type-Gross</th>
<th>Withholdings</th>
<th>Current Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>Federal</td>
<td>$14.10 $296.10</td>
</tr>
<tr>
<td></td>
<td>State</td>
<td>$5.45 $130.80</td>
</tr>
<tr>
<td></td>
<td>FICA</td>
<td>$13.77 $330.48</td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>$33.32</strong> $757.38</td>
</tr>
</tbody>
</table>


What precautions could a person take to not lose his/her paycheck?

A payroll card looks like a debit card and electronically holds an employee’s paycheck. Do you think you would like or dislike this form of payment? Why?

How do your parents get paid?

---


Funded by a grant from Take Charge America, Inc. to the Norton School of Family and Consumer Sciences Take Charge America Institute at The University of Arizona
Reading Your Paycheck Stub

A typical paycheck has two parts: the actual check and a paycheck stub. A paycheck stub lists the paycheck deductions as well as other important information including the terms described below. Refer to the Terrific Tacos paycheck stub on page 2 to answer the following questions.

A. Personal Information — States the employee’s name, address, and social security number.
   What is the name of the employee? __________________________________________________

B. Pay Period — The length of time for which an employee’s wages are calculated: usually weekly, bi-weekly, twice a month, or monthly.
   How long is the pay period? _______________________________________________________

C. Gross Income — The total amount of money earned during the pay period before payroll withholdings.
   What is the gross income? _________________________________________________________

D. Payroll Withholdings — The amount of money subtracted from the gross income for taxes. Required
   What is the total amount of payroll withholdings? ____________________________________

E. Withholding Tax — The amount required by law for employers to withhold from earned wages to pay taxes. On a paycheck stub, these are separated into two different withholding categories including federal and state. The amount withheld depends on two things: the amount of money earned and/or the information provided on the Form W-4.
   What is the sum withheld for federal and state withholdings? ___________________________

F. FICA — (Federal Insurance Contribution Act) — This tax includes two separate taxes:
   Fed OASDI/EE (Federal Old Age Survivors Disability Insurance Employee Employment Tax) or Social Security — The nation’s retirement program. This tax helps provide retirement income for the elderly and pays disability benefits.
   Fed MED/EE (Federal Medicare Employee Employment Tax) or Medicare — The nation’s health care program for the elderly and disabled. This tax provides hospital and medical insurance to those who
   What is the amount for FICA? _____________________________________________________

G. Net Income — The amount of money left after all payroll withholdings have been taken from the
   What is the net income? (Gross income - Payroll Withholdings = Net Income)

H. Year-to-Date — Totals of all the deductions which have been withheld from an individual’s paycheck from January 1 to the last day of the pay period indicated on the paycheck stub.
   How much money has been taken out this year? _______________________________________