

2.3 Social Security and Medicare

Social Security: Federal Insurance Contributions Act (FICA) requires employers to deduct a percent of your income as taxes to pay for retirement and disability benefits

Medicare: medical insurance provided to by the federal government 65+

Aug 26-9:10 PM

Aug 26-10:02 PM

Social Security	6.2 % on the first \$97,000
Medicare	1.45%

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Riley's gross biweekly pay is \$728. His earnings to date for the year total \$26,208. ~~What amount does his boss deduct for Social Security Taxes?~~ What are his Medicare taxes? ~~What is the total deduction?~~

$$(728)(.062) = \$45.13$$

S.S.

$$(728)(.0145) = \$10.55$$

Medi

Aug 26-10:14 PM

Nick's monthly pay is \$6,223. His earnings to date for the year total \$23,631. What amount does his boss deduct for Social Security Taxes? What are his Medicare taxes? ~~What is the total deduction?~~

$$\text{S.S.} (6223)(.062) = \$385.82$$

$$\text{Medi} (6223)(.0145) = \$90.23$$

Nov 7-12:56 PM

Chris's gross weekly pay is \$526. His earnings to date for the year total \$9,912. What amount does his boss deduct for Social Security Taxes? What are his Medicare taxes? What is the total deduction?

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