

2.5 Statement of Earnings

Net Pay: the amount of money you have left over after your employer subtracts all the tax withholdings and personal deductions from your gross pay

Ron has a weekly gross salary of \$600.00. The Social Security Tax is 6.2%, the Medicare Tax is 1.45%, the State Income Tax rate is 1.8%. He has \$46.50 deducted for medical insurance. He does not donate any other money. What is his net pay?

Federal	Social	Medi. care	State	Medi. care	Other
Gross		Deductions			Net

Carly has a weekly gross salary of \$550.00. She is married. The Social Security Tax is 6.2%, the Medicare Tax is 1.45%, the State Income Tax rate is 3.5%. She does not have group health insurance but does donate \$2 each week to PCH. What is her net pay?

Fed	Social	Medi care	State	Medi cal	Other
Gross		Deductions			Net

Anthony has a bi-weekly gross salary of \$1,200.00. The Social Security Tax is 6.2%, the Medicare Tax is 1.45%, the State Income Tax rate is 2.8%. He pays \$115.70 for medical coverage and donates \$5 each week. What is his net pay?

$$\text{Fed: } (1200)(.10) = 120$$

$$\text{S.S: } (1200)(.062) = 74.40$$

$$\text{Medi: } (1200)(.0145) = 17.40$$

$$\text{State: } (1200)(.028) = 33.60$$

Fed	Social	Medi. care	State	Medi. care	Other
120	+ 24.40	+ 4.40	+ 23.60	+ 115.70	+ 10
Gross	Deductions			Net	
1200	- 371.10			\$828.90	

Carol has a bi-weekly gross salary of \$1,450.50. The Social Security Tax is 6.2%, the Medicare Tax is 1.45%, the State Income Tax rate is 3.8%. She pays \$105.73 for medical coverage and has no other deductions. What is her net pay?

$$\begin{aligned} \text{Fed: } & (1450.50)(.10) \\ & (1450.50)(.062) \\ & (1450.50)(.0145) \\ & (1450.50)(.038) = \end{aligned}$$

Federal	Social	Medi. care	State	Medi. care	Other
14505 +	89.93 +	21.03 +	55.11 +	105.73 +	0
Gross		Deduction		Net	
1450.50		- 416.85		\$1033.65	

$$0 < X \leq 7550 \quad 10\%$$

Weekly:

1. Medical: \$10.75

2. Others: 0

Bi-weekly:

1. Medical: \$37.92

2. Others: \$ 3

1. What do you think you will do well on the test tomorrow?

2. Find the annual cost of the insurance plan:

\$45.90 deducted weekly

Boss Pays 65%