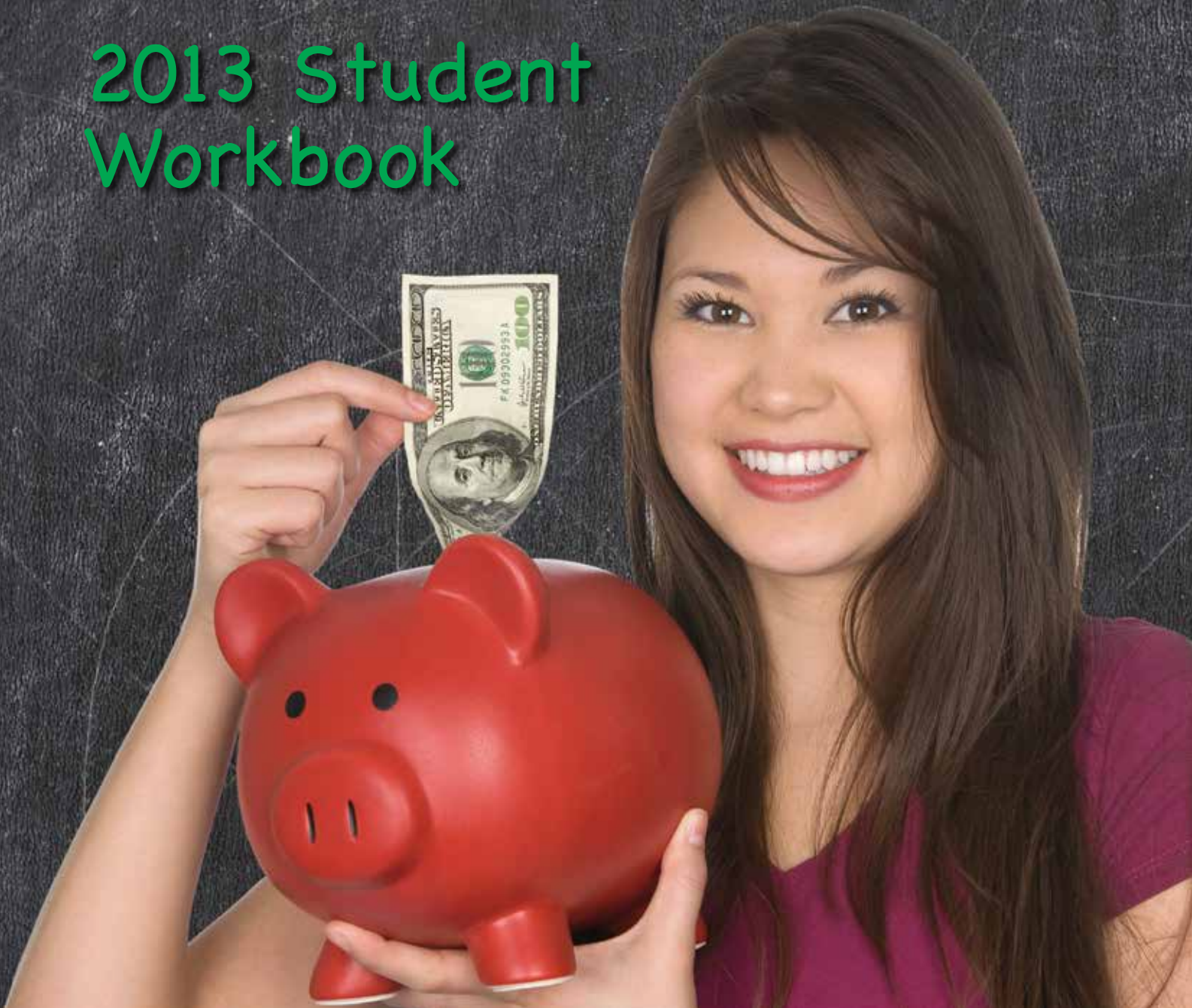


Bring Home The Gold

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2013 Student Workbook



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Teaching Opportunity™

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Form W-4 (2013)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2013 expires February 17, 2014. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,000 and includes more than \$350 of unearned income (for example, interest and dividends).

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1042-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity

income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2013. See Pub. 505, especially if your earnings exceed \$130,000 (single) or \$180,000 (married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at www.irs.gov/w4.

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for yourself if no one else can claim you as a dependent	A	_____
B	Enter "1" if: <ul style="list-style-type: none"> You are single and have only one job; or You are married, have only one job, and your spouse does not work; or Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less. 	B	_____
C	Enter "1" for your spouse. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	_____
D	Enter number of dependents (other than your spouse or yourself) you will claim on your tax return	D	_____
E	Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above)	E	_____
F	Enter "1" if you have at least \$1,900 of child or dependent care expenses for which you plan to claim a credit	F	_____
G	Child Tax Credit (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> If your total income will be less than \$65,000 (\$95,000 if married), enter "2" for each eligible child; then less "1" if you have three to six eligible children or less "2" if you have seven or more eligible children. If your total income will be between \$65,000 and \$84,000 (\$95,000 and \$119,000 if married), enter "1" for each eligible child 	G	_____
H	Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.)	H	_____
<p>For accuracy, complete all worksheets that apply.</p> <ul style="list-style-type: none"> If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2. If you are single and have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the Two-Earners/Multiple Jobs Worksheet on page 2 to avoid having too little tax withheld. If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below. 			

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Allowance Certificate OMB No. 1545-0074 2013	
1 Your first name and middle initial _____ Last name _____		2 Your social security number _____	
Home address (number and street or rural route) _____		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but without at higher Single rate.	
City or town, state, and ZIP code _____		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. <input type="checkbox"/>	
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) _____		6 \$ _____	
7 I claim exemption from withholding for 2013, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here _____		8 _____	
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.			
Employee's signature (This form is not valid unless you sign it.) _____		Date _____	
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) _____		9 Office code (optional) _____	
10 Employer identification number (EIN) _____		_____	
For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 102200 Form W-4 (2013)			



Win A Scholarship

Visit www.nationaleducationday.com by September 30 for your chance to win one of four scholarships from the American Payroll Association and MasterCard!



First Day of Work:

What's a Form W-4?

IT'S YOUR FIRST DAY
ON THE JOB.
CONGRATULATIONS!

Now get ready for all the paperwork. On your first day, you'll have to fill out several forms. One of the most important is Form W-4, the Employee's (you) Withholding Allowance Certificate. This form will affect how much money you receive each payday, so it's important you understand it and how to fill it out properly.

WHAT'S THE PURPOSE OF FORM W-4?

This form helps your employer calculate how much tax to take out of your paycheck and send to the federal government. You claim allowances based on whether you're single or married, on whether you have kids or not, and on how many jobs you have. The more allowances you claim, the less tax your employer takes out of each paycheck.



Underlined words are defined in the Glossary on page 21.

PAYDAY

What Are All These Deductions From My Paycheck?

It's exciting to receive your first paycheck. But for many people, that first rush of excitement soon yields to disappointment. They quickly realize the money in their paycheck is less than they expected. The federal government and a lot of others have taken a bite out of that paycheck.

GROSS PAY

Gross pay is the total amount of money earned before any deductions are made. For example, many employees are paid at an hourly rate. In the case of an hourly employee, the number of hours worked is multiplied by the employee's hourly rate. This results in the employee's gross pay.

NET PAY

The amount left after all deductions are taken out of the gross pay is net pay. This is the actual amount of an employee's paycheck. Net pay is often called take-home pay, because it is the amount of money an employee actually receives on payday.

Continued on next page.

Gross Pay

40 hours x \$9.00 an hour = \$360.00

Gross pay = \$360.00

Net Pay

Required Deductions

Gross pay - Deductions = Net pay

REQUIRED DEDUCTIONS

Your employer is required to take out a number of deductions from your paycheck. The actual amount withheld from a paycheck for federal, state, and local income taxes is determined by referring to tax tables provided by the various levels of government. Employers use the information provided by the tax tables and combine it with information you provided on Form W-4 to determine how much tax to take out of your paycheck. Read below for explanations

of deductions employers are required to take out of your paycheck.

Pay special attention when you fill out Form W-4 on your first day of work. This form tells the employer if you're single or married and the number of allowances you wish to claim. For example, an employee is able to claim allowances for himself or herself, a spouse, and children whom the employee supports.

Continued on next page.



MANDATORY DEDUCTIONS FROM YOUR PAYCHECK		
Deduction	What do you get?	Who pays?
<u>Federal income tax</u>	Funds services provided by the federal government, such as defense, human services, and the monitoring and regulation of trade.	Employee
<u>State income tax</u>	Funds services provided by state government, such as roads, safety, and health. (Not all states have an income tax.)	Employee
<u>Local income tax</u>	Funds services provided by the city or other local government, such as schools, police, and fire protection. (Not all local areas have an income tax.)	Employee
<u>FICA: Social Security tax</u> (also known as OASDI)	Provides for old-age, survivors, and disability insurance benefits.	Employee and employer
<u>FICA: Medicare tax</u> (also known as HI)	Provides health insurance for retirees and certain disabled persons.	Employee and employer

Payday (continued from page 6)

OTHER DEDUCTIONS

In addition to required deductions, employers may take money directly out of your paycheck to pay for various employee benefits. These benefits are called “voluntary deductions,” because they are optional. You decide whether or not you want to participate in these programs.

Benefits vary by industry, by business, and by the status of the employee in the company. Benefits may include life insurance, disability insurance, medical insurance, dental insurance, and retirement savings plans; see the table below for examples.



OTHER DEDUCTIONS*		
Deduction	What do you get?	Who pays?
Life insurance	Pays a <u>beneficiary</u> in the event that an employee dies.	Employer or employee, or shared
Short- and long-term disability insurance	Provides benefits in the event that an employee is disabled.	Employer or employee, or shared
Medical insurance	Employee and family insurance coverage for medical care expenses, including hospitalization, physician services, surgery, and major medical expenses.	Employer or employee, or shared
Dental insurance	Employee and family insurance coverage for dental care expenses, including <u>preventive</u> , <u>diagnostic</u> , basic, major, and orthodontic services.	Employer or employee, or shared
Retirement savings plan	Normally, a <u>tax-deferred</u> savings plan for retirement.	Employer or employee (Employer may match a percentage of employee's contribution)
Charity	A donation to a specific charity.	Employee (Employer may match a percentage of employee's contribution)

*Whether or not these benefits are offered, and who will fund them, varies by the employer.

Exercise 1

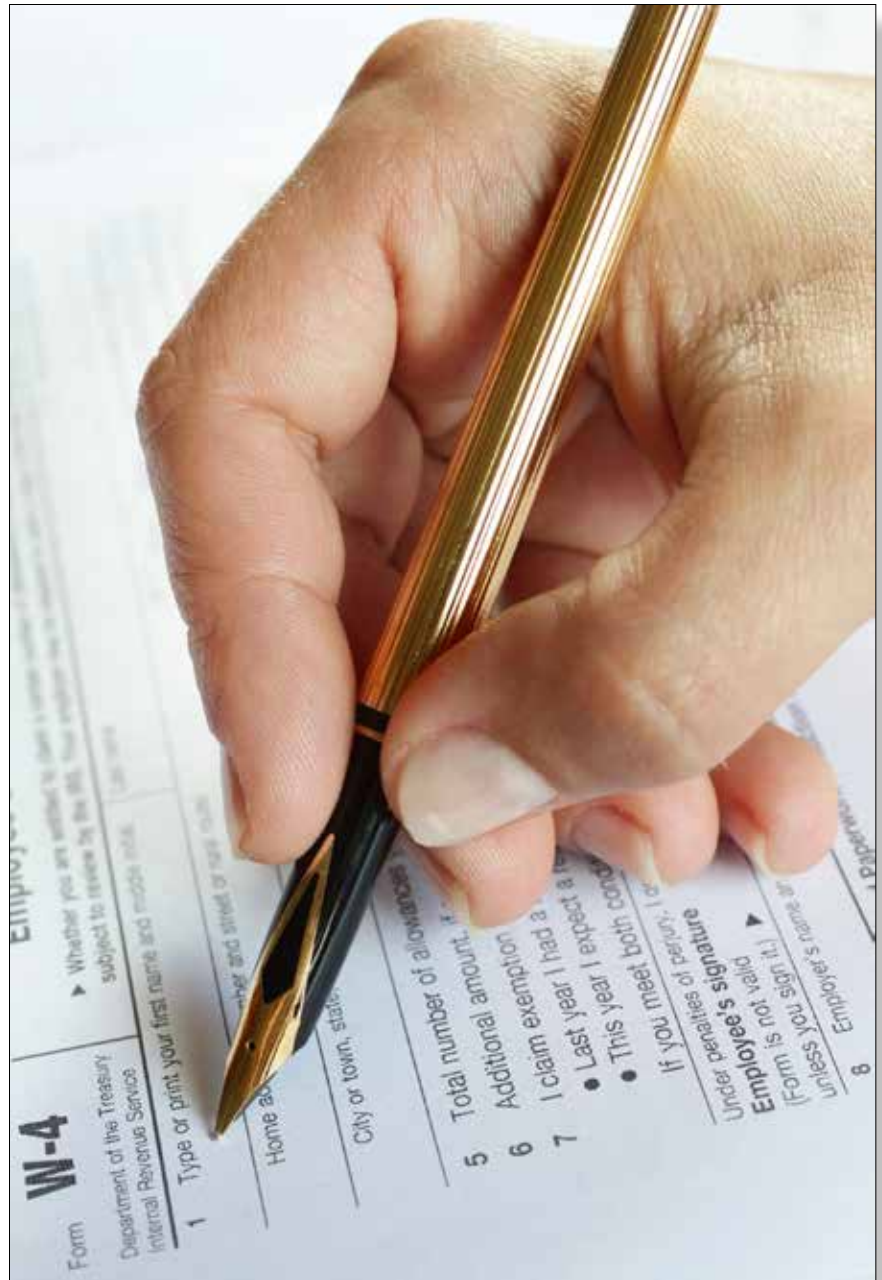
Filling Out Form W-4

IMAGINE ARRIVING FOR YOUR FIRST DAY OF WORK AT FOO FOO GOURMET COFFEE SHOP.

Along with other paperwork as you begin your job, you will fill out a Form W-4. This will help the payroll department of your employer figure out how much tax to take out of your paycheck.

YOU ARE SINGLE, WITH ONLY ONE JOB.

Use the top of the sample Form W-4, Worksheet 1 on page 9, and the Glossary on page 21, to figure out your personal allowances. Then add lines A through G and finish filling out the bottom of the sample Form W-4. Remember, if you don't fill out a Form W-4, your employer will take out the maximum amount of taxes from your paycheck.



Do you need help with your W-4?

If so, visit www.NationalPayrollWeek.com/FormW4

Worksheet 1

Form W-4 (2013)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2013 expires February 17, 2014. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,000 and includes more than \$350 of unearned income (for example, interest and dividends).

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity

income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2013. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at www.irs.gov/w4.

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for **yourself** if no one else can claim you as a dependent **A** _____

B Enter "1" if:
 { • You are single and have only one job; or
 • You are married, have only one job, and your spouse does not work; or
 • Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less. } **B** _____

C Enter "1" for your **spouse**. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) **C** _____

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return **D** _____

E Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above) **E** _____

F Enter "1" if you have at least \$1,900 of **child or dependent care expenses** for which you plan to claim a credit **F** _____

(**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

G **Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.
 • If your total income will be less than \$65,000 (\$95,000 if married), enter "2" for each eligible child; then **less** "1" if you have three to six eligible children or **less** "2" if you have seven or more eligible children.
 • If your total income will be between \$65,000 and \$84,000 (\$95,000 and \$119,000 if married), enter "1" for each eligible child **G** _____

H Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ► **H** _____

For accuracy, **complete all worksheets that apply.**
 { • If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
 • If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
 • If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

----- Separate here and give Form W-4 to your employer. Keep the top part for your records. -----

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Allowance Certificate		OMB No. 1545-0074 2013
► Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.				
1 Your first name and middle initial _____ Last name _____		2 Your social security number _____		
Home address (number and street or rural route) _____ City or town, state, and ZIP code _____		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.		
		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► <input type="checkbox"/>		
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		5 _____		
6 Additional amount, if any, you want withheld from each paycheck		6 \$ _____		
7 I claim exemption from withholding for 2013, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ►		7 _____		
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
Employee's signature (This form is not valid unless you sign it.) ►				Date ►
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)	10 Employer identification number (EIN)	



**PAYCHECK
MAXIMIZER**

Maximize Your Paycheck

Visit www.nationalpayrollweek.com/FormW4 to
download the Paycheck Maximizer app for
Android and Apple devices and put more
money in your pocket!

Exercise 2

Questions

1. What is gross pay?

2. What is net pay?

3. True or False?

Your paycheck = Total hours worked x rate of pay.

4. Name two mandatory deductions.

5. Name three other deductions.

Exercise 3

Calculating a Paycheck #1

IMAGINE YOU ARE A NEW EMPLOYEE AT FOO FOO GOURMET COFFEE SHOP

Foo Foo pays its employees each week. You have claimed single and one allowance on your Form W-4. You work 40 hours per week at \$9.00 per hour. Use the background information, the Federal and State Tax tables on the following pages, and information on the form below to calculate your net pay.



Employee's name: _____

Pay period Weekly Semimonthly Monthly

Number of allowances _____ (0 or more) Single Married

GROSS PAY

1. You work _____ hours at \$ _____ per hour = _____

DEDUCTIONS

2. Federal Income Tax (See Federal Tax table on page 14.) _____

3. State Income Tax (See State Tax table on page 15.) _____

4. FICA: Social Security Tax (6.20% x gross pay) _____

5. FICA: Medicare Tax (1.45% x gross pay) _____

6. **Total Deductions (total lines 2 through 5)** _____

Net Pay (subtract line 6 from line 1) _____

Exercise 4

Calculating a Paycheck #2

IMAGINE YOU ARE A NEW ASSISTANT MANAGER AT FOO FOO GOURMET COFFEE SHOP

Foo Foo pays its employees each week. You have claimed single and zero allowances on your Form W-4. You work 40 hours per week at \$9.50 per hour. Use this background information, the Federal and State Tax tables on the following pages, and information on the form below to calculate your net pay.



Employee's name: _____

Pay period Weekly Semimonthly Monthly

Number of allowances _____ (0 or more) Single Married

GROSS PAY

1. You work _____ hours at \$ _____ per hour = _____

DEDUCTIONS

2. Federal Income Tax (See Federal Tax table on page 14.) _____

3. State Income Tax (See State Tax table on page 15.) _____

4. FICA: Social Security Tax (6.20% x gross pay) _____

5. FICA: Medicare Tax (1.45% x gross pay) _____

6. **Total Deductions (total lines 2 through 5)** _____

Net Pay (subtract line 6 from line 1) _____

Table 1

Federal Tax Table

Single Persons/Weekly Payroll Period

SINGLE Persons—WEEKLY Payroll Period (For Wages Paid through December 2013)												
And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	60	2	0	0	0	0	0	0	0	0	0	0
60	65	2	0	0	0	0	0	0	0	0	0	0
65	70	3	0	0	0	0	0	0	0	0	0	0
70	75	3	0	0	0	0	0	0	0	0	0	0
75	80	4	0	0	0	0	0	0	0	0	0	0
80	85	4	0	0	0	0	0	0	0	0	0	0
85	90	5	0	0	0	0	0	0	0	0	0	0
90	95	5	0	0	0	0	0	0	0	0	0	0
95	100	6	0	0	0	0	0	0	0	0	0	0
100	105	6	0	0	0	0	0	0	0	0	0	0
105	110	7	0	0	0	0	0	0	0	0	0	0
110	115	7	0	0	0	0	0	0	0	0	0	0
115	120	8	0	0	0	0	0	0	0	0	0	0
120	125	8	1	0	0	0	0	0	0	0	0	0
125	130	9	1	0	0	0	0	0	0	0	0	0
130	135	9	2	0	0	0	0	0	0	0	0	0
135	140	10	2	0	0	0	0	0	0	0	0	0
140	145	10	3	0	0	0	0	0	0	0	0	0
145	150	11	3	0	0	0	0	0	0	0	0	0
150	155	11	4	0	0	0	0	0	0	0	0	0
155	160	12	4	0	0	0	0	0	0	0	0	0
160	165	12	5	0	0	0	0	0	0	0	0	0
165	170	13	5	0	0	0	0	0	0	0	0	0
170	175	13	6	0	0	0	0	0	0	0	0	0
175	180	14	6	0	0	0	0	0	0	0	0	0
180	185	14	7	0	0	0	0	0	0	0	0	0
185	190	15	7	0	0	0	0	0	0	0	0	0
190	195	15	8	0	0	0	0	0	0	0	0	0
195	200	16	8	1	0	0	0	0	0	0	0	0
200	210	16	9	1	0	0	0	0	0	0	0	0
210	220	17	10	2	0	0	0	0	0	0	0	0
220	230	19	11	3	0	0	0	0	0	0	0	0
230	240	20	12	4	0	0	0	0	0	0	0	0
240	250	22	13	5	0	0	0	0	0	0	0	0
250	260	23	14	6	0	0	0	0	0	0	0	0
260	270	25	15	7	0	0	0	0	0	0	0	0
270	280	26	16	8	1	0	0	0	0	0	0	0
280	290	28	17	9	2	0	0	0	0	0	0	0
290	300	29	18	10	3	0	0	0	0	0	0	0
300	310	31	20	11	4	0	0	0	0	0	0	0
310	320	32	21	12	5	0	0	0	0	0	0	0
320	330	34	23	13	6	0	0	0	0	0	0	0
330	340	35	24	14	7	0	0	0	0	0	0	0
340	350	37	26	15	8	0	0	0	0	0	0	0
350	360	38	27	16	9	1	0	0	0	0	0	0
360	370	40	29	17	10	2	0	0	0	0	0	0
370	380	41	30	19	11	3	0	0	0	0	0	0
380	390	43	32	20	12	4	0	0	0	0	0	0
390	400	44	33	22	13	5	0	0	0	0	0	0
400	410	46	35	23	14	6	0	0	0	0	0	0
410	420	47	36	25	15	7	0	0	0	0	0	0
420	430	49	38	26	16	8	1	0	0	0	0	0
430	440	50	39	28	17	9	2	0	0	0	0	0
440	450	52	41	29	18	10	3	0	0	0	0	0
450	460	53	42	31	20	11	4	0	0	0	0	0
460	470	55	44	32	21	12	5	0	0	0	0	0
470	480	56	45	34	23	13	6	0	0	0	0	0
480	490	58	47	35	24	14	7	0	0	0	0	0
490	500	59	48	37	26	15	8	0	0	0	0	0
500	510	61	50	38	27	16	9	1	0	0	0	0
510	520	62	51	40	29	17	10	2	0	0	0	0
520	530	64	53	41	30	19	11	3	0	0	0	0
530	540	65	54	43	32	20	12	4	0	0	0	0
540	550	67	56	44	33	22	13	5	0	0	0	0
550	560	68	57	46	35	23	14	6	0	0	0	0
560	570	70	59	47	36	25	15	7	0	0	0	0
570	580	71	60	49	38	26	16	8	1	0	0	0
580	590	73	62	50	39	28	17	9	2	0	0	0
590	600	74	63	52	41	29	18	10	3	0	0	0

Table 2

State Tax Table (Example)*

SINGLE PERSONS – WEEKLY PAYROLL PERIOD

And the wages are:		And the number of withholding exemptions claimed is:										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of Wisconsin income tax to be withheld shall be:												
0	75	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
75	80	.10										
80	85	.30										
85	90	.50	.20									
90	95	.80	.40	.10								
95	100	1.00	.60	.30								
100	105	1.20	.90	.50	.20							
105	110	1.50	1.10	.70	.40							
110	115	1.70	1.30	1.00	.60	.30						
115	120	1.90	1.60	1.20	.90	.50	.10					
120	125	2.10	1.80	1.40	1.10	.70	.40					
125	130	2.40	2.00	1.70	1.30	1.00	.60	.30				
130	135	2.60	2.30	1.90	1.50	1.20	.80	.50	.10			
135	140	2.80	2.50	2.10	1.80	1.40	1.10	.70	.40			
140	145	3.10	2.70	2.40	2.00	1.70	1.30	.90	.60	.20		
145	150	3.30	2.90	2.60	2.20	1.90	1.50	1.20	.80	.50	.10	
150	155	3.50	3.20	2.80	2.50	2.10	1.80	1.40	1.00	.70	.30	
155	160	3.80	3.40	3.00	2.70	2.30	2.00	1.60	1.30	.90	.60	.20
160	165	4.00	3.60	3.30	2.90	2.60	2.20	1.90	1.50	1.20	.80	.40
165	170	4.20	3.90	3.50	3.20	2.80	2.40	2.10	1.70	1.40	1.00	.70
170	175	4.40	4.10	3.70	3.40	3.00	2.70	2.30	2.00	1.60	1.30	.90
175	180	4.70	4.30	4.00	3.60	3.30	2.90	2.60	2.20	1.80	1.50	1.10
180	185	4.90	4.60	4.20	3.80	3.50	3.10	2.80	2.40	2.10	1.70	1.40
185	190	5.10	4.80	4.40	4.10	3.70	3.40	3.00	2.70	2.30	2.00	1.60
190	195	5.40	5.00	4.70	4.30	4.00	3.60	3.20	2.90	2.50	2.20	1.80
195	200	5.60	5.20	4.90	4.50	4.20	3.80	3.50	3.10	2.80	2.40	2.10
200	205	5.80	5.50	5.10	4.80	4.40	4.10	3.70	3.30	3.00	2.60	2.30
205	210	6.10	5.70	5.40	5.00	4.70	4.30	4.00	3.60	3.20	2.90	2.50
210	215	6.30	6.00	5.60	5.30	4.90	4.60	4.20	3.90	3.50	3.10	2.80
215	220	6.60	6.20	5.90	5.50	5.20	4.80	4.50	4.10	3.80	3.40	3.10
220	225	6.80	6.50	6.10	5.80	5.40	5.10	4.70	4.40	4.00	3.70	3.30
225	230	7.10	6.80	6.40	6.00	5.70	5.30	5.00	4.60	4.30	3.90	3.60
230	235	7.40	7.00	6.70	6.30	5.90	5.60	5.20	4.90	4.50	4.20	3.80
235	240	7.60	7.30	6.90	6.60	6.20	5.90	5.50	5.10	4.80	4.40	4.10
240	245	7.90	7.50	7.20	6.80	6.50	6.10	5.80	5.40	5.00	4.70	4.30
245	250	8.10	7.80	7.40	7.10	6.70	6.40	6.00	5.70	5.30	5.00	4.60
250	255	8.40	8.00	7.70	7.30	7.00	6.60	6.30	5.90	5.60	5.20	4.90
255	260	8.70	8.30	7.90	7.60	7.20	6.90	6.50	6.20	5.80	5.50	5.10
260	265	8.90	8.60	8.20	7.80	7.50	7.10	6.80	6.40	6.10	5.70	5.40
265	270	9.30	8.80	8.50	8.10	7.80	7.40	7.00	6.70	6.30	6.00	5.60
270	275	9.60	9.10	8.70	8.40	8.00	7.70	7.30	6.90	6.60	6.20	5.90
275	280	10.00	9.50	9.00	8.60	8.30	7.90	7.60	7.20	6.90	6.50	6.10
280	285	10.30	9.80	9.40	8.90	8.50	8.20	7.80	7.50	7.10	6.80	6.40
285	290	10.60	10.20	9.70	9.20	8.80	8.40	8.10	7.70	7.40	7.00	6.70
290	295	11.00	10.50	10.00	9.60	9.10	8.70	8.30	8.00	7.60	7.30	6.90
295	300	11.30	10.90	10.40	9.90	9.40	9.00	8.60	8.20	7.90	7.50	7.20
300	305	11.70	11.20	10.70	10.30	9.80	9.30	8.80	8.50	8.10	7.80	7.40
305	310	12.00	11.60	11.10	10.60	10.10	9.70	9.20	8.70	8.40	8.00	7.70
310	315	12.40	11.90	11.40	10.90	10.50	10.00	9.50	9.10	8.70	8.30	7.90
315	320	12.70	12.20	11.80	11.30	10.80	10.30	9.90	9.40	8.90	8.60	8.20
320	325	13.10	12.60	12.10	11.60	11.20	10.70	10.20	9.70	9.30	8.80	8.50
325	330	13.40	12.90	12.50	12.00	11.50	11.00	10.60	10.10	9.60	9.10	8.70
330	335	13.70	13.30	12.80	12.30	11.90	11.40	10.90	10.40	10.00	9.50	9.00
335	340	14.10	13.60	13.10	12.70	12.20	11.70	11.30	10.80	10.30	9.80	9.40
340	345	14.40	14.00	13.50	13.00	12.50	12.10	11.60	11.10	10.60	10.20	9.70
345	350	14.80	14.30	13.80	13.40	12.90	12.40	11.90	11.50	11.00	10.50	10.00
350	355	15.10	14.70	14.20	13.70	13.20	12.80	12.30	11.80	11.30	10.90	10.40
355	360	15.50	15.00	14.50	14.00	13.60	13.10	12.60	12.20	11.70	11.20	10.70
360	365	15.80	15.30	14.90	14.40	13.90	13.40	13.00	12.50	12.00	11.60	11.10
365	370	16.20	15.70	15.20	14.70	14.30	13.80	13.30	12.80	12.40	11.90	11.40
370	375	16.50	16.00	15.60	15.10	14.60	14.10	13.70	13.20	12.70	12.20	11.80
375	380	16.80	16.40	15.90	15.40	15.00	14.50	14.00	13.50	13.10	12.60	12.10
380	385	17.20	16.70	16.20	15.80	15.30	14.80	14.40	13.90	13.40	12.90	12.50
385	390	17.50	17.10	16.60	16.10	15.60	15.20	14.70	14.20	13.70	13.30	12.80
390	395	17.90	17.40	16.90	16.50	16.00	15.50	15.00	14.60	14.10	13.60	13.10

* Taken from Wisconsin Tax Tables

Getting Paid

Go Green With Your Green

Every year, more than 3.5 billion paychecks are issued to America's 156 million employees, but how you're paid could be damaging the environment. There are three different ways that you can be paid electronically to make your paycheck more environmentally friendly.

DIRECT DEPOSIT

Direct deposit is a method of electronic pay. It works by depositing your pay directly into your checking or savings account through a highly secure, electronic banking system. Direct deposit is the cheapest and most reliable way to receive your pay, and the federal government protects bank accounts up to \$250,000.

Benefits of Direct Deposit

- Your pay goes straight into your bank account.
- No waiting in line at the bank drive-through, idling your car and releasing dangerous ozone-depleting emissions.
- Your money is always there on payday, even when you're on vacation.
- You won't have to pay check cashing fees.
- Most banks offer free ATM cards to access your paycheck anytime, at an ATM or as cash back from a retailer. Fees may apply at other banks' ATMs.
- You can check your balance via online, smartphone app, telephone, text messaging

(standard data rates may apply), or at an ATM (fees may apply at ATMs). Most banks also offer free services like online transfer of funds, bill paying, etc.

PAYCARDS AND PREPAID RELOADABLE CARDS

What if you don't have a checking or savings account where your employer can deposit your pay? Is a paper paycheck your only option?

Having your employer deposit your pay onto a paycard or prepaid reloadable card is an alternative to receiving a paper check. Both cards represent a way for employees without a checking or savings account to take advantage of the conveniences of electronic pay.

A paycard is a plastic card that works like a debit card and is

don't have a checking or savings account, paycards are your next best electronic pay option, and can be less expensive than receiving a paper check.

Fees can be associated with the paycard, so please look at the chart on page 17 for a breakdown of how these fees compare to costs associated with other payment methods. Typically, though, there are no monthly fees and no fee charged to the employee on payday. Additionally, most employers negotiate for at least one fee-free ATM withdrawal per pay period, per employee. Paycards, like bank accounts, have safeguards built-in by the federal government to protect your money.

If your employer does not offer paycards, a prepaid reloadable card is an alternative. It functions much like a paycard, but can be purchased at many national retailers such as Walmart, K-Mart and Rite-Aid. Some prepaid reloadable cards have fees associated with their use. View the chart on page 17 for a breakdown of how these fees compare to costs associated with other payment methods, and contact the provider that issued your card (via the toll-free number or website information on your card) to ask about fees.

Once you get the card, you would notify your employer that you would like your pay deposited on the card (you may incur fees, check with your card provider). Like direct deposit, your pay will be deposited and your money will be available immediately.

To sign up for direct deposit, talk to your company's payroll department.

available through many employers. Your employer will deposit your pay onto your paycard. You can then use the card to pay for things anywhere debit cards are accepted.

If you need cash, you can get your money from an ATM or get cash back when you purchase something at a retailer. If you

Benefits of Paycards and Prepaid Reloadable Cards

- Access your pay anytime at an ATM or as cash back from a retailer. Fees may apply.
- Make purchases anywhere debit cards are accepted including online, or pay bills.
- If your card is lost or stolen, it can be replaced. Some prepaid reloadable cards come with additional protection; for example, MasterCard's Everyday Prepaid Reloadable Card offers zero liability protection for lost and stolen cards. For more

details please visit the website listed on the card or with the welcome materials or call customer service.

- You can check your balance via online, phone, text messaging (standard data rates may apply), or at an ATM (fees may apply at ATMs). Some card providers may also offer services like bill paying and funds transfer. To find out if your employer offers paycards, ask your company's payroll department. If not, visit a local retailer to get a prepaid reloadable card.



UNDERSTANDING BANKING FEES

EXAMPLE OF MONTHLY FINANCIAL SERVICE FEES¹

	PAPER PAYCHECK	DIRECT DEPOSIT	PAYCARD FEES²	PREPAID RELOADABLE CARD FEES²
Check Cashing (4 checks/month @ \$500.00 each or \$2,000.00 total)	\$30.00 – \$80.00 ⁷	\$0.00	\$0.00	\$0.00 – \$8.00
Bill Pay	\$8.70	\$0.00	\$0.00	\$0.00 – \$2.50
Enrollment Fee	\$0.00	\$0.00	\$0.00	\$0.00 – \$18.00
Monthly Fee	Not Applicable	\$0.00 – \$7.00 ⁴	\$0.00 ³	\$5.00 – \$9.95 (fee may be waived if you maintain a high balance)
ATM Fees (based on 4 transactions and estimated at \$4/transaction)	Not Applicable	\$0.00 ⁴	\$0.00 ³	\$16.00
MONTHLY COST	\$38.70 – \$88.70 ⁷	\$0.00 – \$7.00	\$0.00 – \$8.00 ⁵	\$21.00 – \$36.45 ⁸
ANNUAL COST	\$464.40 – \$1,064.40 ⁷	\$0.00 – \$84.00	\$0.00 – \$96.00	\$252.00 – \$455.40 ⁶

¹ Sample monthly fee schedule. Fees vary by issuer and provider. One time activation fee, ATM fees, transaction fees and reload fees will apply at various reload stations. Your fees and potential savings may vary based on the type of card you select.

² Based on direct deposit of paycheck to a paycard or prepaid reloadable card.

³ Paycards typically do not have a monthly fee and allow one free ATM transaction per pay period.

⁴ Fees on checking and savings accounts vary. Many banks offer free checking and savings accounts, and will allow free unlimited transactions at their own ATM machines. Be aware

that banks charge an average of \$26 per bounced check fee (<http://www.bankrate.com/brm/about/pr/20030402.asp>).

⁵ The \$8 estimate assumes two additional non-paycheck ATM transactions per month at \$4/transaction. Some retailers may offer fee-free transactions at their point-of-sale terminals.

⁶ Other fees may include: Customer Service Calls, \$0.00 – \$1.50; and Replacement Card Fees, \$3.95 – \$5.95.

⁷ Based on check cashing industry fees, which average between 1.5% – 4%.

⁸ Not including potential enrollment fee.

Exercise 5

Questions

Using the chart below, decide how each employee should ask to be paid.

- 1. Bobby works for Foo Foo Gourmet Coffee Shop. The shop is in a state that allows employers to only pay employees by direct deposit, but Bobby doesn't have a bank account. How should he ask to be paid?**
- 2. Should Bobby ask to be paid differently if he opens a bank account while working for the coffee shop?**
- 3. Valerie just opened a bank account and started working for a local restaurant that offers paycards and direct deposit. How should she ask to be paid?**
- 4. Emily's company pays employees by direct deposit or paycards only. Emily doesn't have a bank account. How should she ask to be paid?**

Your company offers direct deposit only	+	You DO have a checking account	=	Direct Deposit
Your company offers direct deposit AND Paycards	+	You do NOT have a checking account	=	Paycards
Your company offers direct deposit only	+	You do NOT have a checking account	=	Prepaid Reloadable Cards

Reference 1

Minimum Wage

The federal minimum wage is \$7.25 per hour.

WHAT STATE DO YOU LIVE IN?

As of Jan. 1, 2013, 20 states have a minimum wage rate higher than the federal minimum wage. In these states, you'll get paid the higher state minimum wage.

Alaska	\$7.75 per hour	Missouri	\$7.35 per hour
Arizona	\$7.80 per hour	Montana	\$7.80 per hour
California	\$8.00 per hour	Nevada	\$8.25 per hour
Colorado	\$7.78 per hour	New Mexico	\$7.50 per hour
Connecticut	\$8.25 per hour	Ohio	\$7.85 per hour
Florida	\$7.79 per hour	Oregon	\$8.95 per hour
Illinois	\$8.25 per hour	Rhode Island	\$7.75 per hour
Maine	\$7.50 per hour	Vermont	\$8.60 per hour
Massachusetts	\$8.00 per hour	Washington	\$9.19 per hour
Michigan	\$7.40 per hour	Washington, D.C.	\$8.25 per hour

**\$2.13 per hour + tips =
at least the federal
minimum wage***

**If not, your employer must
make up the difference.*

DO YOU WORK AS A WAITER?

If you do, you'll get paid no less than \$2.13 per hour plus tips. Some states may require a higher hourly rate. In these states, you must be paid the higher amount.

Reference 1

Overtime

Your employer is required by federal law to pay an overtime rate of 1.5 times your regular pay for all hours worked over 40 in one week. In Alaska, California, and Nevada, overtime is paid for all hours worked over eight in one day. Employees in Colorado earn overtime on the greater of 40 hours per week or 12 hours per day.

Example: You work 48 hours in one week at \$10 per hour.

$$\text{\$10 per hour} \times 48 \text{ hours} = \text{\$480}$$

$$\text{\$10 per hour} \times 8 \text{ hours} \times .5 = \text{\$40}$$

$$\text{Gross Pay} = \text{\$480} + \text{\$40} = \text{\$520}$$

Teen Jobs

TO WORK IN MOST JOBS, YOU MUST BE 16 YEARS OLD.

According to the U.S. Department of Labor, teens age 14 and 15 may work in various jobs, but they must follow these rules:

- 1. May not work more than three hours on a school day or 18 hours in a school week.**
- 2. May work eight hours on a non-school day or 40 hours in a non-school week.**
- 3. May not begin work before 7 a.m. or end after 7 p.m., except in the summer when evening hours are extended until 9 p.m.**



Some states may require further restrictions for teen workers. Visit your state's Department of Labor website to learn more about state regulations that affect you and your job.

Glossary

- **Allowances:** Also called withholding allowances. Allowances indicate to employers how much tax to withhold from each employee's paycheck and also help them determine tax breaks for employees. The more allowances claimed on a Form W-4, the less money a company will withhold for taxes. Visit www.nationalpayrollweek.com/FormW4 to download an app to help you fill out the form.
- **American Payroll Association:** A professional association that educates the individuals who calculate employee paychecks — payroll professionals. More information is available at www.americanpayroll.org.
- **Beneficiary:** A person or group selected to collect funds or other property under an insurance policy, retirement savings plan, or other legal document, in the event of an individual's death.
- **Benefits:** Perks offered by your employer, such as medical and dental insurance. May be paid for by the employer, the employee, or a combination of both.
- **Child Tax Credit:** Employees who have children under the age of 17 may be eligible to save up to \$1,000 in taxes per child.
- **Deductions:** An amount subtracted from a paycheck. The amounts are used to fund government programs, personal savings, and more (see pages 5-6).
- **Dependents:** The employee's unmarried children under age 19 (age 24 if the child is a student).
- **Diagnostic:** Testing done by a doctor or insurance company to find out if an employee has a disease or other condition.
- **Direct Deposit:** The electronic deposit of funds into a financial account.
- **Dividends:** A portion of a company's earnings paid to people who own stock in that company.
- **Exempt:** Not legally required to pay taxes. Generally, you may claim exempt if you are single and earn less than \$10,000. However, if your parents claim you as a dependent on their tax return, you can earn up to \$6,100 and be exempt as long as your unearned income (interest & dividends) is less than \$350. As a dependent, you can also claim exempt if you have more than \$350 of unearned income and your total income is less than \$1,000.
- **Federal Income Tax:** A tax on the money an employee earns that is used to fund the federal government. It's typically deducted from your paycheck automatically. The amount deducted is based on how much you earn and the allowances you claimed on the Form W-4.
- **FICA:** Federal Insurance Contributions Act. A law that requires all employees to contribute 7.65% of their earnings toward Social Security (6.2% of up to \$113,700) and Medicare (1.45% of all wages) programs.
- **Form W-4:** A form typically filled out when you begin a job. Your employer determines how much income tax to deduct from your paycheck based on how many allowances you claimed on the form.
- **Gross Pay:** Your total pay before any deductions are subtracted.
- **Local Income Tax:** A tax on the money an employee earns that is used to fund the local government. It's typically deducted from your paycheck automatically.
- **Medicare:** A federal program that provides medical insurance to Americans with certain disabilities and those who are age 65 or older. The program is funded as part of FICA.
- **Minimum Wage:** The lowest hourly wage employers may legally pay their employees.
- **National Payroll Week:** Held annually during the week of Labor Day, this campaign educates Americans about their paychecks, the payroll withholding system, and payroll-related benefits. More information is available at www.nationalpayrollweek.com.
- **Net Pay:** Actual amount of an employee's paycheck after deductions are subtracted.
- **Overtime Pay:** A premium pay rate for any work done beyond 40 hours in one week. Under federal law, employees must be paid 1.5 times their regular rate of pay for hours worked beyond 40 in one week.
- **Paycard:** Issued by an employer to an employee, a paycard works like a debit card. An employer will deposit an employee's net pay onto the card each payday. Paycards typically do not have a monthly fee, and an employee can usually make a certain number of fee-free withdrawals each month from authorized ATMs. Point-of-sale purchases are usually fee-free.
- **Prepaid reloadable card:** These cards are purchased by consumers and can be used like a debit card. Consumers can ask their employer to deposit their net pay onto the card on payday. Consumers sometimes incur fees when they reload funds onto such cards. Point-of-sale purchases are usually fee-free.
- **Preventive:** Treatment plan created by a physician that prevents or slows the advancement of an illness or disease.
- **Single:** Not legally married. You're still legally single even if you are dating someone.
- **Social Security:** A federal program that provides an income to surviving family members of an employee who dies, retired persons age 62 or older, and the disabled. The program is funded as part of FICA.
- **Spouse:** The husband or wife of an employee.
- **State Income Tax:** A tax on the money an employee earns that is used to fund the state government. It's typically deducted from your paycheck automatically. The amount deducted is based on how much you earn and the allowances you claimed on the Form W-4 or a state form that serves the same purpose.
- **Tax Credit:** An amount you can subtract from the tax you would otherwise owe; see Child Tax Credit entry.
- **Tax-Deferred:** Money that will be taxed at a later date.
- **Tax Liability:** The amount of tax you must pay.
- **Withholding:** An amount from your paycheck that your employer sends to the government as payment for your tax liability.