

FINE PRINT: Pay Stub

Teacher Tip: If you prefer to administer this activity using a Google Form, please see the answer key for the Google form link. You can find this on the [Unit Page](#) this resource is in.

In this activity, you will explore a pay stub in more detail to understand its various components. Then, you will answer questions using the sample pay stub below.

Part I: Read The Fine Print

Analyze this sample pay stub and answer the questions that follow.

COMPANY NAME				EARNINGS STATEMENT		
Some Corporation 123 Somewhere Drive, Durham, NC 12345						
EMPLOYEE NAME	SSN	EMPLOYEE ID	CHECK NO.	PAY PERIOD	PAY DATE	
Hope Marie Kingsley	xxx-xx-6789	98856	98765	5/1/2020 - 5/15/2020	5/21/2020	
INCOME	RATE	HOURS	CURRENT TOTAL	DEDUCTIONS	CURRENT TOTAL	YEAR-TO-DATE
GROSS WAGES	15.00	40	600.00	FICA MED TAX	8.70	78.30
				FICA SS TAX	37.20	334.80
				FED TAX	90.00	810.00
				NC ST TAX	34.50	310.50
				HEALTH	\$76.58	\$689.22
				DENTAL	\$8.23	\$74.07
				RETIREMENT*	\$60.00	\$540.00
YTD GROSS	YTD DEDUCTIONS	YTD NET PAY		CURRENT TOTAL	CURRENT DEDUCTIONS	NET PAY
5,400.00	2,836.89	2,563.11		600.00	315.21	284.79

*Excluded from federal taxable wage

- How frequently does Hope receive a paycheck?
 - Daily
 - Weekly
 - Twice Per Month
 - Monthly
- Assuming that Hope receives a paycheck at regular intervals similar to the stub shown, how many pay periods has Hope had year-to-date (YTD)?
 - 2
 - 3
 - 8
 - 9

3. Which statement below accurately describes Hope's gross wages?
 - a. Gross wages are calculated by multiplying Hope's hourly rate by the number of hours she worked
 - b. Gross wages are Hope's fixed salary, which she receives for every pay period
 - c. Gross wages are calculated by subtracting all of Hope's deductions from her gross income
 - d. Gross wages are how much Hope has earned over the course of the entire year
4. What was the largest deduction for this pay period?
 - a. FICA Medicare Tax
 - b. FICA Social Security Tax
 - c. Federal Tax
 - d. NC State Tax
5. Look at the lines that say HEALTH, DENTAL, and RETIREMENT. Which statement below is accurate?
 - a. Those lines represent taxes that Hope paid to the Federal government
 - b. Those lines represent taxes that Hope paid to the state government
 - c. Those lines represent benefits that the employer is paying to Hope in addition to her wages
 - d. Those lines represent insurance and retirement plans that Hope funds directly from her paycheck
6. Hope's contribution to her RETIREMENT plan...
 - a. is a post-tax contribution on which she pays federal income taxes
 - b. is pre-tax and therefore not included in federal income taxes
 - c. Is a contribution to her Social Security
 - d. is taxed at a rate of 15%
7. What was the TOTAL amount deducted from Hope's latest paycheck?
 - a. \$90.00
 - b. \$284.79
 - c. \$315.21
 - d. \$600.00
8. One of Hope's coworkers quits, and during the next pay period Hope works 60 hours instead of 40 to help cover the shifts. Which of Hope's deductions will definitely change as a result?
 - a. Her Federal tax
 - b. Her health
 - c. Her dental
 - d. Her retirement

9. Which of the following statements is TRUE?
- a. Hope has had more deductions this year than take home pay
 - b. Hope has had more take home pay this year than deductions
 - c. Hope has had equal amounts of take home pay and deductions this year
 - d. Hope's paystub only shows deductions and take home pay for this pay period, not the entire year to date
10. Hope's employer deposits her paycheck directly into her checking account. How much would her employer have deposited into Hope's checking account on the most recent payday of 5/21/20?
- a. \$40.00
 - b. \$284.79
 - c. \$315.21
 - d. \$600.00

Part II: What Did You Learn?

Use what you learned from analyzing the pay stub to answer this question.

11. What important information is available on a pay stub?