

Whether you are paid an hourly wage, a yearly salary, a sales commission or in some other way, what you make is not what you get to keep. What you make is your gross pay. What you get to keep is your net pay.

The following six young people are all being paid in different ways. Use the directions provided to calculate the net pay for each.



1. Reuben Garza just graduated from high school and has begun a five year apprenticeship as a machinist. His starting wage is \$8.25 an hour and he receives a paycheck every two weeks.

Compute his biweekly net pay using the following directions. Round all answers to the nearest cent.

1. Biweekly Gross Pay: Multiply his hourly wage rate by the 80 hours he worked.
2. Withholding Taxes: Multiply his biweekly gross pay by each of the withholding percentages.
3. Total Withholding: Add the total of withholding amounts.
4. Biweekly Net Pay: Subtract his total withholding from his biweekly gross pay.

Biweekly Gross Pay	\$ _____
Withholding:	
Fed Income Tax (5.0%)	\$ _____
State Income Tax (5.6%)	\$ _____
Social Security (6.20%)	\$ _____
Medicare (1.45%)	\$ _____
Union Dues (1.0%)	\$ _____
Total	\$ _____
Biweekly Gross Pay	\$ _____
Minus Total Withholding -	\$ _____
Biweekly Net Pay	\$ _____

Biweekly Gross Pay	\$ _____
Withholding:	
Fed Income Tax (9.2%)	\$ _____
State Income Tax (3.5%)	\$ _____
Social Security (6.20%)	\$ _____
Medicare (1.45%)	\$ _____
Total	\$ _____
Biweekly Gross Pay	\$ _____
Minus Total Withholding -	\$ _____
Biweekly Net Pay	\$ _____

2. Rachel Thornton works as a surveyor for Consolidated Commercial Construction. She receives a biweekly paycheck and is paid \$12.50 an hour for the first 40 hours of work each week and time and a half for overtime. During the past two weeks she worked 86 hours.



Compute her biweekly net pay using the following directions. Round all answers to the nearest cent.

Follow these directions. Use the green box for help

1. Biweekly Gross Pay: (A) Multiply her regular hourly wage rate by the 80 hours she worked.
 (B) Multiply her overtime hours by her overtime wage rate.
 (C) Add your answers to A and B.
2. Withholding Taxes: Multiply her biweekly gross pay by each of the withholding percentages.
3. Total Withholding: Add the total of the withholding amounts.
4. Biweekly Net Pay: Subtract her total withholding from her biweekly gross pay.

A: Regular hours = 80 hours
B: Overtime hours = 6 hours
Overtime rate = Hourly Rate x 1.5

Name: Period: Date: