

Name Answer Key
 Financial Math
 Payroll Quiz Review

Question 1 – Given an Accountant Sally. Sally makes \$110,000 per year. She is paid bi-weekly. Sally is single and claims 1 dependent (herself). Sally is enrolled in health insurance through her job and pays \$120 per paycheck. Sally also contributes \$200 per check to her company 401k retirement plan.

Find the following payroll information for Sally

a. Find gross pay

$$\$110,000 \div 26 = \$4230.77$$

b. Find Net Wages

$$4230.77 - 120 \text{ (Health Insurance)} = \$4110.77$$

c. Find FICA Social Security tax

$$\$4110.77 \times 0.062 = \$254.87$$

d. Find FICA Medicare tax

$$\$4110.77 \times 0.0145 = \$59.61$$

e. Find Taxable Income

Net wages - Qualifying Deductions

$$4110.77 - 200 \text{ (Retirement Plan)} = \$3910.77$$

f. Find Federal Tax Withheld

- ① $3910.77 \times 26 = 101,680.02$
- ② $101,680.02 - 8600 \text{ (single)} = 93,080.02 \rightarrow \text{Single line 4}$
- ③ $C + D (\$ - E) \rightarrow 4807.50 + 0.22(93,080.02 - 46,125) = \$15,137.60$
- ④ $\$15,137.60 \div 26 = \582.22

g. Find State Tax Withheld

- ① $3910.77 - 323.10 \text{ (Single/Bi-weekly/1 Dependent)} = \3587.67
- ② ~~(\\$ - Column 3)~~ $(\$ - \text{Column 3}) \times \text{Column 4} + \text{Column 5}$
 $(3587.67 - 3102) \times 0.0625 + 173.23 = \203.58

h. Total Taxes Paid

$$254.87 + 59.61 + 582.22 + 203.58 = 1100.28$$

i. Use these deductions to find net pay

Taxable Income - All Taxes

$$3910.77 - 1100.28 = \$2810.49$$

Use Net wages

Use Taxable income

Use Taxable Income

Name Answer Key

Financial Math

Payroll Quiz Review

Question 2 – Given a firefighter John. John makes \$72,000 per year. He is paid weekly. John is married and claims 4 dependents. John is enrolled in health insurance through his job and pays \$75 per paycheck. John contributes \$300 per paycheck to his 401k.

Find the following payroll information for John

- a. Find gross pay

$$72,000 \div 52 = \boxed{\$1384.62}$$

- b. Find Net Wages

$$\$1384.62 - 75 = \boxed{\$1309.62}$$

(Health Insurance)

- c. Find FICA Social Security tax

$$\$1309.62 \times .062 = \boxed{\$81.20}$$

- d. Find FICA Medicare tax

$$\$1309.62 \times .0145 = \boxed{\$18.99}$$

- e. Find Taxable Income

Net Wages - Qualified Deductions

$$1309.62 - 300 = \boxed{\$1009.62}$$

- f. Find Federal Tax Withheld

① $1009.62 \times 52 = \$52,500$

② $52,500 - 12,900$ (Married) = $39,600.24 \rightarrow$ Married Line 3

③ C + D (\$ - E) $\rightarrow 2055 + .12(39,600.24 - 33,550) = 2781.03$

④ $2781.03 \div 52 = \boxed{\$53.48}$

- g. Find State Tax Withheld

① $1009.62 - 229.90$ (Married / Weekly / 4 Dependents) = $\$779.72$

② $(\$ - Col 3) \times Col 4 + Col 5$

$$(779.72 - 267) \times .0585 + 11.54 = \boxed{\$41.53}$$

- h. Total Taxes Paid

$$\$81.20 + \$18.99 + 53.48 + 41.53 = \boxed{\$195.20}$$

- i. Use these deductions to find net pay

Taxable Income - Total Taxes

$$1009.62 - 195.20$$

$$\boxed{\$814.42}$$

Use
Net
Wages

Use
Taxable
Income