

Name _____

Finance – Payroll – True Cost of Health Insurance

1) Wendy is a travel agent who makes \$34,000 per year. She is married with 3 dependents. She is paid weekly.

- a. Find gross pay

- b. Find FICA Social Security and FICA Medicare deductions

- c. Find Federal Tax Withheld

- d. Find State Tax Withheld

- e. Use these deductions to find net pay

2) Now let's say Wendy enrolls in her company's health insurance program. Coverage for families is \$12,000 per year, but the travel company only makes employees pay for \$2500 of that.

- a. Find gross pay

- b. Find FICA Social Security and FICA Medicare deduction

- c. Find weekly health insurance contribution. Subtract that from gross pay to find taxable income

- d. Find Federal Tax Withheld based on new taxable income number

- e. Find State Tax Withheld based on new taxable income number

- f. Use these deductions to find net pay

- g. Compare net pay with health insurance to net pay without health insurance, give true cost of health insurance to Wendy

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- 3) Steve is a police officer making \$32,000 per year paid bi-weekly. He is single with 0 dependents
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find Federal Tax Withheld
 - Find State Tax Withheld
 - Use these deductions to find net pay
- 4) Now, Steve enrolls in the police department's health insurance. A single policy is \$6500 per year, but the department only makes Steve pay \$1500 of that per year
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find weekly health insurance contribution. Subtract that from gross pay to find taxable income.
 - Find Federal Tax Withheld based on new taxable income number
 - Find State Tax Withheld based on new taxable income
 - Find Net Pay. $\text{Net Pay} = \text{Taxable Income} - (\text{FICA S.S.} + \text{FICA Medicare} + \text{Federal} + \text{State tax})$
 - Compare net pay with health insurance to net pay without health insurance; give true cost of health insurance to Steve.
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- 5) Amanda is an office manager. She makes \$30,750 per year. She is paid weekly and is married with 4 dependents.
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find Federal Tax Withheld
 - Find State Tax Withheld
 - Use these deductions to find net pay
- 6) Now, Amanda enrolls in the office's health insurance program. A family policy is \$15000 per year, but the company only makes Amanda pay \$4500 of that per year
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find weekly health insurance contribution. Subtract that from gross pay to find taxable income.
 - Find Federal Tax Withheld based on new taxable income number
 - Find State Tax Withheld based on new taxable income
 - Find Net Pay. $\text{Net Pay} = \text{Taxable Income} - (\text{FICA S.S.} + \text{FICA Medicare} + \text{Federal} + \text{State tax})$
 - Compare net pay with health insurance to net pay without health insurance; give true cost of health insurance to Amanda.

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- 7) Mark is a librarian making \$26,000 per year paid bi-weekly. He is single with 1 dependent
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find Federal Tax Withheld
 - Find State Tax Withheld
 - Use these deductions to find net pay
- 8) Now, Mark enrolls in library's health insurance. A single policy is \$5500 per year, but the library only makes Mark pay \$2000 of that per year
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find weekly health insurance contribution. Subtract that from gross pay to find taxable income.
 - Find Federal Tax Withheld based on new taxable income number
 - Find State Tax Withheld based on new taxable income
 - Find Net Pay. $\text{Net Pay} = \text{Taxable Income} - (\text{FICA S.S.} + \text{FICA Medicare} + \text{Federal} + \text{State tax})$
 - Compare net pay with health insurance to net pay without health insurance; give true cost of health insurance to Mark.
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- 9) Lynn is an account executive. She makes \$33,225 per year. She is paid weekly and is married with 3 dependents.
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find Federal Tax Withheld
 - Find State Tax Withheld
 - Use these deductions to find net pay
- 10) Now, Lynn enrolls in her office's health insurance program. A family policy is \$12,000 per year, but the company only makes Lynn pay \$3500 of that per year
- Find gross pay
 - Find FICA Social Security and FICA Medicare deductions
 - Find weekly health insurance contribution. Subtract that from gross pay to find taxable income.
 - Find Federal Tax Withheld based on new taxable income number
 - Find State Tax Withheld based on new taxable income
 - Find Net Pay. $\text{Net Pay} = \text{Taxable Income} - (\text{FICA S.S.} + \text{FICA Medicare} + \text{Federal} + \text{State tax})$
 - Compare net pay with health insurance to net pay without health insurance; give true cost of health insurance to Lynn.