

Name

Date

Your Paychecks

Before you can get paid for your work, you need to complete a W-4 form. The Internal Revenue Service provides this form. On the W-4 form, you will record the number of withholdings you claim for tax purposes. From this information, taxes will be taken from your gross pay. Your gross pay is your pay before taxes and other deductions are taken from your check. Federal income tax, Social Security tax, and Medicare will be deducted from your paycheck. Other deductions may include state income tax, if your state has one, premiums for health, dental, and disability insurance; union dues; retirement contributions; withdrawals for supplementary insurance plans; payments for uniform rental and cleaning; and charitable contributions. After these deductions are taken from your paycheck, what you receive is called your net pay or take-home pay.

You should know what an employer is going to pay you before you accept a job. Does your pay come in the form of an hourly wage or a salary? An hourly wage is the amount of money earned per hour worked. If you are earning an hourly wage, you may be required to work overtime. Overtime is the additional amount paid to some employees for working over a normal 40-hour work week. It is usually calculated at one and a half or two times the regular hourly wage. A salary is a set amount of money earned for an entire year. If you are earning a salary, your pay will not change because of the number of hours you work.

It is important to know how you are being paid so that you can check the accuracy of your paycheck.

You should also know how often you are going to be paid. It is helpful to know what the following terms mean:

- Weekly** paid at the end of each week (52 times a year)
- Biweekly** paid every 2 weeks (26 times a year)
- Semimonthly** paid twice a month (24 times a year)
- Monthly** paid once a month (12 times a year)