

We
JUST GOT
PAID!

2023
MONEY
MATTERS
STUDENT
HANDBOOK



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Contents

First Day of Work | **3**

Payday | **4**

Gross Pay, Net Pay

& Required Deductions | **4–6**

Exercise 1, Filling out Form W-4 | **7**

2023 Form W-4 | **8–9**

Exercise 2, Questions | **10**

Exercise 3, Calculating a Paycheck #1 | **11**

Exercise 4, Calculating a Paycheck #2 | **12**

Federal Tax Table | **13**

State Tax Table | **14**

Getting Paid | **15**

Go Green With Your Green | **15**

Understanding Banking Fees | **16**

Helpful Paycard Guidelines | **17**

Exercise 5, Questions | **18**

Reference | **19**

Minimum Wage | **19**

Overtime, Teen Jobs | **20**

Glossary | **21–22**



First Day of Work

What's a Form W-4?

IT'S YOUR FIRST DAY ON THE JOB. CONGRATULATIONS!

Now get ready for all the paperwork. On your first day, you'll have to fill out several forms. One of the most important is Form W-4, the *Employee's (your) Withholding Certificate*. This form will affect how much money you receive each payday, so it's important you understand it and how to fill it out properly.

WHAT'S THE PURPOSE OF FORM W-4?

This form helps your employer calculate how much income tax to take out of your paycheck and send to the federal government. This information is provided through a series of five steps. The form also tells your employer if you are claiming exempt from withholding. High school and college students must meet the tests for exemption other employees are required to meet. Depending on the state you work in, you may also have to complete a state withholding certificate (most states do not accept the Form W-4 for state purposes).

HOW DO I COMPLETE FORM W-4?

There are 5 steps for you to complete on the form. You must complete Steps 1 and 5. Steps 2, 3, and 4 should be completed only if they apply to you. Doing so will help ensure that your federal income tax withholding is accurate. Step 1 is for your personal information; Step 2 is for households with multiple jobs; Step 3 is used to claim tax credits for dependents (usually children), as well as other tax credits, such as education tax credits; Step 4 is for other adjustments (additional income, itemized deductions, extra tax you want withheld); and Step 5 is where you sign and date the form.

Underlined words are defined in the Glossary on pages 21-22.



PAYDAY

What Are All These Deductions From My Paycheck?

IT'S EXCITING TO RECEIVE YOUR FIRST PAYCHECK, BUT FOR MANY PEOPLE, THAT FIRST RUSH OF EXCITEMENT SOON TURNS TO DISAPPOINTMENT. THEY QUICKLY REALIZE THE MONEY IN THEIR PAYCHECK IS LESS THAN THEY EXPECTED. THE FEDERAL GOVERNMENT AND A LOT OF OTHERS HAVE TAKEN A BITE OUT OF THAT PAYCHECK.

GROSS PAY

Gross pay is the total amount of money earned before any deductions are made. For example, many employees are paid at an hourly rate. In the case of an hourly employee, the number of hours worked is multiplied by the employee's hourly rate. This results in the employee's gross pay.

NET PAY

The amount left after all deductions are taken out of the gross pay is net pay. This is the actual amount of an employee's paycheck. Net pay is often called take-home pay, because it is the amount of money an employee actually receives on payday.



40 hours x \$11.00 an hour = \$440.00

Gross pay = \$440.00

Net Pay & Required Deductions
Gross pay – deductions = net pay

Continued on next page.

REQUIRED DEDUCTIONS

Your employer is required to take out a number of deductions from your paycheck. The actual amount withheld from a paycheck for federal, state, and local income taxes is determined by referring to tax tables provided by the various levels of government. Employers use the information provided by the tax tables and combine it with information you provided on Form W-4 to determine how much tax to take out of your paycheck. Read below for explanations of deductions employers are required to take out of your paycheck.

Pay special attention when you fill out Form W-4 on your first day of work. This form tells the employer your filing status, whether you have multiple jobs or a spouse who works, and if you are claiming dependents or other adjustments. You may ask to take the Form W-4 and instructions home to complete so a family member can help you. You may also want to use the IRS's Tax Withholding Estimator to help you complete the form.

FOR HELP WITH THE FORM W-4,
VISIT [HTTPS://WWW.IRS.GOV/INDIVIDUALS/TAX-WITHHOLDING-ESTIMATOR](https://www.irs.gov/individuals/tax-withholding-estimator)

MANDATORY DEDUCTIONS FROM YOUR PAYCHECK		
Deduction	What do you get?	Who pays?
<u>Federal income tax</u>	Funds services provided by the federal government, such as defense, human services, and the monitoring and regulation of trade.	Employee
<u>State income tax</u>	Funds services provided by state government, such as roads, safety, and health. (Not all states have an income tax.)	Employee
<u>Local income tax</u>	Funds services provided by the city or other local government, such as schools, police, and fire protection. (Not all local areas have an income tax.)	Employee
<u>FICA: Social Security tax</u> (also known as OASDI)	Provides for old-age, survivors, and disability insurance benefits.	Employee and employer
<u>FICA: Medicare tax</u> (also known as HI for hospital) insurance)	Provides health insurance for retirees and certain disabled persons.	Employee and employer

Continued on next page.

OTHER DEDUCTIONS

In addition to required deductions, employers may take money directly out of your paycheck to pay for various employee benefits. These benefits are called “voluntary deductions” because they are optional. You decide whether or not you want to participate in these programs.

Benefits vary by industry, by business, and by the status of the employee in the company. Benefits may include life insurance, disability insurance, medical insurance, dental insurance, and retirement savings plans. See the table below for examples.



Voluntary Deductions		
Deduction	What do you get?	Who pays?
Life insurance	Pays a <u>beneficiary</u> in the event that an employee dies.	Employer or employee, or shared
Short- and long-term disability insurance	Provides benefits in the event that an employee is disabled and not able to work. Some states require deductions for short-term disability.	Employer or employee, or shared
Medical insurance	Employee and family insurance coverage for medical care expenses, including hospitalization, physician services, surgery, and major medical expenses.	Employer or employee, or shared
Dental insurance	Employee and family insurance coverage for dental care expenses, including <u>preventive</u> , <u>diagnostic</u> , basic, major, and orthodontic services.	Employer or employee, or shared
Retirement savings plan	Normally, a <u>tax-deferred</u> savings plan for retirement.	Employer or employee (Employer may match a percentage of employee’s contribution)
Charity	A donation to a specific charity.	Employee (Employer may match a percentage of employee’s contribution)

***WHETHER OR NOT THESE BENEFITS ARE OFFERED, AND WHO WILL FUND THEM, VARIES BY THE EMPLOYER.**

EXERCISE 1

Filling Out Form W-4

IMAGINE ARRIVING FOR YOUR FIRST DAY OF WORK AT A GOURMET COFFEE SHOP.

Along with other paperwork as you begin your job, you will fill out a Form W-4. This will provide your employer's payroll department with the information needed to determine how much you are to be taxed on each paycheck.

YOU ARE SINGLE, WITH ONLY ONE JOB.

See page 8 for a Form W-4 completed by a single employee who has completed Steps 1 and 5.

- Step 1, she claimed a filing status of single.
- She did not check the box in Step 2(c) and did not complete Steps 3 and 4.
- She completed Step 5 by signing the form and dating it.

If you don't fill out a Form W-4, your employer will take out the maximum amount of taxes from your paycheck.



FORM W-4 WILL AFFECT HOW MUCH MONEY YOU WILL RECEIVE EACH PAYDAY.

2023 FORM W-4

EXAMPLE OF A COMPLETED FORM

Form W-4		Employee's Withholding Certificate		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Give Form W-4 to your employer. Your withholding is subject to review by the IRS.		2023
Step 1: Enter Personal Information	(a) First name and middle initial <u>Margaret A</u>	Last name <u>Quinn</u>	(b) Social security number <u>123-45-6789</u>	
	Address <u>4567 East 14th Street</u>		Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .	
	City or town, state, and ZIP code <u>New York, NY 13579</u>			
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			
Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, other details, and privacy.				
Step 2: Multiple Jobs or Spouse Works	Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following. (a) Reserved for future use. (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than (b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, (b) is more accurate <input type="checkbox"/> TIP: If you have self-employment income, see page 2.			
Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)				
Step 3: Claim Dependent and Other Credits	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 \$ _____ Multiply the number of other dependents by \$500 \$ _____		Add the amounts above for qualifying children and other dependents. You may add to this the amount of any other credits. Enter the total here 3 \$ _____	
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income		4(a) \$ _____	
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here		4(b) \$ _____	
	(c) Extra withholding. Enter any additional tax you want withheld each pay period . .		4(c) \$ _____	
Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.			
	<u>Margaret A. Quinn</u> Employee's signature (This form is not valid unless you sign it.)		5/8/2023 Date	
Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)	
For Privacy Act and Paperwork Reduction Act Notice, see page 3.		Cat. No. 10220Q	Form W-4 (2023)	

2023 FORM W-4

Form W-4 Department of the Treasury Internal Revenue Service	Employee's Withholding Certificate Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Give Form W-4 to your employer. Your withholding is subject to review by the IRS.	OMB No. 1545-0074 <div style="font-size: 2em; font-weight: bold; text-align: center;">2023</div>	
Step 1: Enter Personal Information	(a) First name and middle initial _____ Last name _____	(b) Social security number	
	Address _____		
	City or town, state, and ZIP code _____		
(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .	
Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, other details, and privacy.			
Step 2: Multiple Jobs or Spouse Works	Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following. (a) Reserved for future use. (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than (b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, (b) is more accurate <input type="checkbox"/> TIP: If you have self-employment income, see page 2.		
Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)			
Step 3: Claim Dependent and Other Credits	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 \$ _____ Multiply the number of other dependents by \$500 \$ _____		3 \$
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income		4(a) \$
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here		4(b) \$
	(c) Extra withholding. Enter any additional tax you want withheld each pay period . .		4(c) \$
Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete. _____ Employee's signature (This form is not valid unless you sign it.) Date		
Employers Only	Employer's name and address _____	First date of employment _____	Employer identification number (EIN) _____

Form W-4 (2023) General Instructions Section references are to the Internal Revenue Code. Future Developments For the latest information about developments related to Form W-4, such as legislation enacted after it was published, go to www.irs.gov/FormW4 . Purpose of Form Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. If too little is withheld, you will generally owe tax when you file your tax return and may owe a penalty. If too much is withheld, you will generally be due a refund. Complete a new Form W-4 when changes to your personal or financial situation would change the entries on the form. For more information on withholding and when you must furnish a new Form W-4, see Pub. 505, Tax Withholding and Estimated Tax. Exemption from withholding. You may claim exemption from withholding for 2023 if you meet both of the following conditions: you had no federal income tax liability in 2022 and you expect to have no federal income tax liability in 2023. You had no federal income tax liability in 2022 if (1) your total tax on line 24 on your 2022 Form 1040 or 1040-SR is zero (or less than the sum of lines 27, 28, and 29), or (2) you were not required to file a return because your income was below the filing threshold for your correct filing status. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2023 tax return. To claim exemption from withholding, certify that you meet both of the conditions above by writing "Exempt" on Form W-4 in the space below Step 4(c). Then, complete Steps 1(a), 1(b), and 5. Do not complete any other steps. You will need to submit a new Form W-4 by February 15, 2024. Your privacy. If you have concerns with Step 2(c), you may choose Step 2(b); if you have concerns with Step 4(a), you may enter an additional amount you want withheld per pay period in Step 4(c). Self-employment. Generally, you will owe both income and self-employment taxes on any self-employment income you receive separate from the wages you receive as an employee. If you want to pay income and self-employment taxes through withholding from your wages, you should enter the self-employment income on Step 4(a). Then compute your self-employment tax, divide that tax by the number of pay periods remaining in the year, and include that resulting amount per pay period on Step 4(c). You can also add half of the annual amount of self-employment tax to Step 4(b) as a deduction. To calculate self-employment tax, you generally multiply the self-employment income by 14.13% (this rate is a quick way to figure your self-employment tax and equals the sum of the 12.4% social security tax and the 2.9% Medicare tax multiplied by 0.9235). See Pub. 505 for more information, especially if the sum of self-employment income multiplied by 0.9235 and wages exceeds \$180,200 for a given individual. Nonresident alien. If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.	Page 2 Specific Instructions Step 1(c). Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding. Step 2. Use this step if you (1) have more than one job at the same time, or (2) are married filing jointly and you and your spouse both work. If you (and your spouse) have a total of only two jobs, you may check the box in option (c). The box must also be checked on the Form W-4 for the other job. If the box is checked, the standard deduction and tax brackets will be cut in half for each job to calculate withholding. This option is roughly accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld, and this extra amount will be larger the greater the difference in pay is between the two jobs. <div style="border: 1px solid black; padding: 2px; width: fit-content;"> Multiple jobs. Complete Steps 3 through 4(b) on only one Form W-4. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job. </div> Step 3. This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include other tax credits for which you are eligible in this step, such as the foreign tax credit and the education tax credits. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return. Step 4 (optional). Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs or self-employment. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals. Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2023 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs. Step 4(c). Enter in this step any additional tax you want withheld from your pay each pay period , including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.
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EXERCISE 2

QUESTIONS

1. What is gross pay? _____
2. What is net pay? _____
3. True or False? Your paycheck = total hours worked x rate of pay. _____
4. Name two mandatory deductions. _____

5. Name three other deductions. _____

EXERCISE 3

CALCULATING A PAYCHECK #1

IMAGINE YOU ARE A NEW EMPLOYEE AT A GOURMET COFFEE SHOP

The coffee shop pays its employees each week. Your filing status is single with no adjustments on your Form W-4 (you make no entries in Steps 2, 3, or 4). You work 40 hours per week at \$11.00 per hour. Use the background information, the Federal and State Tax tables on pages 13 and 14, and information on the form to the right to calculate your net pay.



Employee's name: _____

Pay period: Weekly Biweekly Semimonthly Monthly

Filing status: Single or Married filing separately Married filing jointly
or qualifying surviving spouse Head of Household

GROSS PAY

1. You work _____ hours at \$_____ per hour = _____

DEDUCTIONS

2. Federal Income Tax (See Federal Tax table on page 13.) _____

3. State Income Tax (See State Tax table on page 14.) _____

4. FICA: Social Security Tax (6.20% x gross pay) _____

5. FICA: Medicare Tax (1.45% x gross pay) _____

6. **Total Deductions** (total lines 2 through 5) _____

Net Pay (subtract line 6 from line 1) _____

EXERCISE 4

CALCULATING A PAYCHECK #2

IMAGINE YOU ARE A NEW ASSISTANT MANAGER AT A GOURMET COFFEE SHOP

Gourmet coffee shop pays its employees each week. Your filing status is single with no adjustments on your Form W-4 (you make no entries in Steps 2, 3, or 4). You work 40 hours per week at \$12.00 per hour. Use this background information, the Federal and State Tax tables on pages 13 and 14, and information on the form to the right to calculate your net pay.



Employee's name: _____

Pay period: Weekly Biweekly Semimonthly Monthly

Filing status: Single or Married filing separately Married filing jointly or qualifying surviving spouse Head of Household

GROSS PAY

1. You work _____ hours at \$_____ per hour = _____

DEDUCTIONS

2. Federal Income Tax (See Federal Tax table on page 13.) _____

3. State Income Tax (See State Tax table on page 14.) _____

4. FICA: Social Security Tax (6.20% x gross pay) _____

5. FICA: Medicare Tax (1.45% x gross pay) _____

6. **Total Deductions (total lines 2 through 5)** _____

Net Pay (subtract line 6 from line 1) _____

2023 Wage Bracket Method Tables for Manual Payroll Systems with Forms W-4 From 2020 or Later
WEEKLY Payroll Period

If the Adjusted Wage Amount (line 1h) is		Married Filing Jointly		Head of Household		Single or Married Filing Separately	
		Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding
At least	But less than	The Tentative Withholding Amount is:					
\$0	\$135	\$0	\$0	\$0	\$0	\$0	\$0
\$135	\$145	\$0	\$0	\$0	\$0	\$0	\$1
\$145	\$155	\$0	\$0	\$0	\$0	\$0	\$2
\$155	\$165	\$0	\$0	\$0	\$0	\$0	\$3
\$165	\$175	\$0	\$0	\$0	\$0	\$0	\$4
\$175	\$185	\$0	\$0	\$0	\$0	\$0	\$5
\$185	\$195	\$0	\$0	\$0	\$0	\$0	\$6
\$195	\$205	\$0	\$0	\$0	\$0	\$0	\$7
\$205	\$215	\$0	\$0	\$0	\$1	\$0	\$8
\$215	\$225	\$0	\$0	\$0	\$2	\$0	\$9
\$225	\$235	\$0	\$0	\$0	\$3	\$0	\$10
\$235	\$245	\$0	\$0	\$0	\$4	\$0	\$11
\$245	\$255	\$0	\$0	\$0	\$5	\$0	\$12
\$255	\$265	\$0	\$0	\$0	\$6	\$0	\$13
\$265	\$275	\$0	\$0	\$0	\$7	\$0	\$14
\$275	\$285	\$0	\$1	\$0	\$8	\$1	\$16
\$285	\$295	\$0	\$2	\$0	\$9	\$2	\$17
\$295	\$305	\$0	\$3	\$0	\$10	\$3	\$18
\$305	\$315	\$0	\$4	\$0	\$11	\$4	\$19
\$315	\$325	\$0	\$5	\$0	\$12	\$5	\$20
\$325	\$335	\$0	\$6	\$0	\$13	\$6	\$22
\$335	\$345	\$0	\$7	\$0	\$14	\$7	\$23
\$345	\$355	\$0	\$8	\$0	\$15	\$8	\$24
\$355	\$365	\$0	\$9	\$0	\$16	\$9	\$25
\$365	\$375	\$0	\$10	\$0	\$17	\$10	\$26
\$375	\$385	\$0	\$11	\$0	\$19	\$11	\$28
\$385	\$395	\$0	\$12	\$0	\$20	\$12	\$29
\$395	\$405	\$0	\$13	\$0	\$21	\$13	\$30
\$405	\$415	\$0	\$14	\$1	\$22	\$14	\$31
\$415	\$425	\$0	\$15	\$2	\$23	\$15	\$32
\$425	\$435	\$0	\$16	\$3	\$25	\$16	\$34
\$435	\$445	\$0	\$17	\$4	\$26	\$17	\$35
\$445	\$455	\$0	\$18	\$5	\$27	\$18	\$36
\$455	\$465	\$0	\$19	\$6	\$28	\$19	\$37
\$465	\$475	\$0	\$20	\$7	\$29	\$20	\$38
\$475	\$485	\$0	\$21	\$8	\$31	\$21	\$40
\$485	\$495	\$0	\$23	\$9	\$32	\$23	\$41
\$495	\$505	\$0	\$24	\$10	\$33	\$24	\$42
\$505	\$515	\$0	\$25	\$11	\$34	\$25	\$43
\$515	\$525	\$0	\$26	\$12	\$35	\$26	\$44
\$525	\$535	\$0	\$27	\$13	\$37	\$27	\$46
\$535	\$545	\$1	\$29	\$14	\$38	\$29	\$47
\$545	\$555	\$2	\$30	\$15	\$39	\$30	\$48
\$555	\$565	\$3	\$31	\$16	\$40	\$31	\$49
\$565	\$575	\$4	\$32	\$17	\$41	\$32	\$51
\$575	\$585	\$5	\$33	\$18	\$43	\$33	\$53
\$585	\$595	\$6	\$35	\$19	\$44	\$35	\$55
\$595	\$605	\$7	\$36	\$20	\$45	\$36	\$58
\$605	\$615	\$8	\$37	\$21	\$46	\$37	\$60
\$615	\$625	\$9	\$38	\$22	\$47	\$38	\$62
\$625	\$635	\$10	\$39	\$23	\$49	\$39	\$64
\$635	\$645	\$11	\$41	\$24	\$50	\$41	\$66
\$645	\$655	\$12	\$42	\$25	\$51	\$42	\$69
\$655	\$665	\$13	\$43	\$26	\$52	\$43	\$71
\$665	\$675	\$14	\$44	\$27	\$53	\$44	\$73
\$675	\$685	\$15	\$45	\$28	\$55	\$45	\$75
\$685	\$695	\$16	\$47	\$29	\$56	\$47	\$77
\$695	\$705	\$17	\$48	\$30	\$57	\$48	\$79
\$705	\$715	\$18	\$49	\$31	\$58	\$49	\$81
\$715	\$725	\$19	\$50	\$32	\$59	\$50	\$83
\$725	\$735	\$20	\$51	\$33	\$60	\$51	\$85
\$735	\$745	\$21	\$52	\$34	\$61	\$52	\$87
\$745	\$755	\$22	\$53	\$35	\$62	\$53	\$89
\$755	\$765	\$23	\$54	\$36	\$63	\$54	\$91
\$765	\$775	\$24	\$55	\$37	\$64	\$55	\$93
\$775	\$785	\$25	\$56	\$38	\$65	\$56	\$95
\$785	\$795	\$26	\$57	\$39	\$66	\$57	\$97
\$795	\$805	\$27	\$58	\$40	\$67	\$58	\$99
\$805	\$815	\$28	\$59	\$41	\$68	\$59	\$101
\$815	\$825	\$29	\$60	\$42	\$69	\$60	\$103
\$825	\$835	\$30	\$61	\$43	\$70	\$61	\$105
\$835	\$845	\$31	\$62	\$44	\$71	\$62	\$107
\$845	\$855	\$32	\$63	\$45	\$72	\$63	\$109
\$855	\$865	\$33	\$64	\$46	\$73	\$64	\$111
\$865	\$875	\$34	\$65	\$47	\$74	\$65	\$113
\$875	\$885	\$35	\$66	\$48	\$75	\$66	\$115
\$885	\$895	\$36	\$67	\$49	\$76	\$67	\$117
\$895	\$905	\$37	\$68	\$50	\$77	\$68	\$119
\$905	\$915	\$38	\$69	\$51	\$78	\$69	\$121
\$915	\$925	\$39	\$70	\$52	\$79	\$70	\$123
\$925	\$935	\$40	\$71	\$53	\$80	\$71	\$125
\$935	\$945	\$41	\$72	\$54	\$81	\$72	\$127
\$945	\$955	\$42	\$73	\$55	\$82	\$73	\$129
\$955	\$965	\$43	\$74	\$56	\$83	\$74	\$131
\$965	\$975	\$44	\$75	\$57	\$84	\$75	\$133
\$975	\$985	\$45	\$76	\$58	\$85	\$76	\$135
\$985	\$995	\$46	\$77	\$59	\$86	\$77	\$137
\$995	\$1005	\$47	\$78	\$60	\$87	\$78	\$139

TABLE 1

FEDERAL TAX TABLE

WEEKLY PAYROLL PERIOD/SINGLE OR MARRIED FILING SEPARATELY/ STANDARD WITHHOLDING

TABLE 2

STATE TAX TABLE

(EXAMPLE) *

*TAKEN FROM UTAH TAX TABLES

(UTAH PUB. 14 REV. 4/23 AND EFF. 6/1/23)

Utah Withholding Tables

Note: Use the *Single* column for taxpayers who file as head-of-household on their federal return.

Weekly and Biweekly Payroll Periods

UTAH TABLE 1		WEEKLY Payroll Period (52 pay periods per year)		
If UT taxable wages are -		Find wages in "If UT taxable wages are" columns. This is amount to withhold.		
at least	but less than	Weekly		
		Single	Married	
\$0	\$96	\$0	\$0	\$0
96	129	0	0	0
129	162	0	0	0
162	194	1	0	0
194	227	2	0	0
227	260	4	0	0
260	292	6	0	0
292	325	8	0	0
325	358	10	0	0
358	390	12	2	2
390	423	14	4	4
423	456	16	6	6
456	488	18	8	8
488	521	20	10	10
521	554	22	12	12
554	587	24	14	14
587	619	26	16	16
619	652	28	18	18
652	685	30	20	20
685	717	32	22	22
717	750	34	24	24
750	783	36	25	25
783	815	37	27	27
815	848	39	29	29
848	881	40	31	31
881	913	42	33	33
913	946	43	35	35
946	979	45	37	37
979	1,012	46	39	39
1,012	1,044	48	41	41
1,044	1,077	49	43	43
1,077	1,110	51	45	45
1,110	1,142	52	47	47
1,142	1,175	54	49	49
1,175	1,208	55	51	51
1,208	1,240	57	53	53
1,240	1,273	58	55	55
1,273	1,306	60	57	57
1,306	1,338	61	59	59
1,338	1,371	63	60	60
1,371	1,404	65	62	62
1,404	1,437	66	64	64
1,437	1,469	68	66	66
1,469	1,502	69	68	68
1,502	1,535	71	70	70
1,535	1,567	72	72	72
1,567	1,600	74	74	74
1,600	1,633	75	75	75
1,633	1,665	77	77	77
1,665	1,698	78	78	78
1,698	1,731	80	80	80
1,731	1,763	81	81	81
1,763	1,796	83	83	83
1,796	1,829	84	84	84
1,829	1,862	86	86	86
1,862	1,894	87	87	87
1,894	1,927	89	89	89

UTAH TABLE 2		BIWEEKLY Payroll Period (26 pay periods per year)		
If UT taxable wages are -		Find wages in "If UT taxable wages are" columns. This is amount to withhold.		
at least	but less than	Biweekly		
		Single	Married	
\$0	\$192	\$0	\$0	\$0
192	258	0	0	0
258	323	0	0	0
323	388	1	0	0
388	454	5	0	0
454	519	9	0	0
519	585	13	0	0
585	650	17	0	0
650	715	20	0	0
715	781	24	4	4
781	846	28	8	8
846	912	32	12	12
912	977	36	16	16
977	1,042	40	20	20
1,042	1,108	44	24	24
1,108	1,173	48	28	28
1,173	1,238	52	31	31
1,238	1,304	55	35	35
1,304	1,369	59	39	39
1,369	1,435	63	43	43
1,435	1,500	67	47	47
1,500	1,565	71	51	51
1,565	1,631	74	55	55
1,631	1,696	77	59	59
1,696	1,762	80	63	63
1,762	1,827	83	66	66
1,827	1,892	86	70	70
1,892	1,958	90	74	74
1,958	2,023	93	78	78
2,023	2,088	96	82	82
2,088	2,154	99	86	86
2,154	2,219	102	90	90
2,219	2,285	105	94	94
2,285	2,350	108	98	98
2,350	2,415	111	101	101
2,415	2,481	114	105	105
2,481	2,546	117	109	109
2,546	2,612	120	113	113
2,612	2,677	123	117	117
2,677	2,742	126	121	121
2,742	2,808	129	125	125
2,808	2,873	132	129	129
2,873	2,938	135	133	133
2,938	3,004	138	136	136
3,004	3,069	141	140	140
3,069	3,135	144	144	144
3,135	3,200	147	147	147
3,200	3,265	150	150	150
3,265	3,331	153	153	153
3,331	3,396	156	156	156
3,396	3,462	159	159	159
3,462	3,527	162	162	162
3,527	3,592	166	166	166
3,592	3,658	169	169	169
3,658	3,723	172	172	172
3,723	3,788	175	175	175
3,788	3,854	178	178	178

Getting Paid

Go Green With Your Green

Every year, billions of paychecks are issued to America's 160 million or so employees, but how you're paid could be damaging the environment. There are two different ways that you can be paid electronically to make your paycheck more environmentally friendly.

DIRECT DEPOSIT

Direct deposit is a method of electronic pay. It works by depositing your pay directly into your checking or savings account through a highly secure, electronic banking system. Direct deposit is the cheapest and most reliable way to receive your pay, and the federal government protects bank accounts up to \$250,000.

ADVANTAGES OF DIRECT DEPOSIT

- Your pay goes straight into your bank account.
- No waiting in line at the bank drive-through, idling your car and releasing dangerous ozone-depleting emissions.
- Your money is always there on payday, even when payday is a day you do not work.
- You won't have to pay check cashing fees.
- Most banks offer free ATM cards to access your pay anytime, at an ATM or as cash back from a retailer. Fees may apply at other banks' ATMs.
- You can check your balance via online, smartphone app, telephone, text messaging (standard data rates may apply), or at an ATM (fees may apply at ATMs). Most banks also offer free services like online transfer of funds, bill paying, etc.

EARNED WAGE ACCESS

Earned wage access products (sometimes called on-demand pay) are becoming more prevalent in the workplace. Your employer may offer a service that allows you to request a certain amount of the wages you have earned to be paid to you prior to your regular payday. On the next payday, those prepaid funds are deducted from your paycheck.

PAYCARDS

What if you don't have a checking or savings account where your employer can deposit your pay? Is a paper paycheck your only option?

Having your employer deposit your pay onto a paycard is an alternative to receiving a paper check. Paycards represent a way for employees without a checking or savings account to take advantage of the conveniences of electronic pay.

A paycard is a plastic card that works like a debit card and is available through many employers. Your employer will deposit your pay onto your paycard on payday. You can then use the card to pay for things anywhere debit cards are accepted.

If you need cash, you can get your money from an ATM or get cash back when you purchase something at a retailer. If you don't have a checking or savings account, paycards are your next best electronic pay option and can be less expensive than receiving a paper check.

Fees can be associated with the paycard, so please look at the chart on page 16 for a breakdown



TO SIGN UP FOR DIRECT DEPOSIT, TALK TO YOUR COMPANY'S PAYROLL DEPARTMENT.

of how these fees compare to costs associated with other payment methods. Typically, though, there are no monthly fees and no fee charged to the employee on payday. Additionally, most employers negotiate for at least one fee-free ATM withdrawal per pay period, per employee. Paycards, like bank accounts, have safeguards built-in by the federal government to protect your money.

View the chart on page 16 for a breakdown of how these fees compare to costs associated with other payment methods. Contact the provider that issued your card (via the toll-free number or website information on your card) to ask about fees.

Reference the helpful questions on page 17 to verify with your employer before determining if a paycard is right for you. Once you get the card, you would notify your employer that you would like your pay deposited on the card. Like direct deposit, your pay will be deposited and your money will be available immediately.

Continued on next page.

ADVANTAGES OF PAYCARDS

- Access your pay anytime at an ATM or as cash back from a retailer. Fees may apply.
- Make purchases anywhere debit cards are accepted including online or to pay bills.
- If your card is lost or stolen, it can be replaced. For more details please visit the website shown on the card or welcome materials, or call customer service.
- You can check your balance via online, phone, text messaging (standard data rates may apply), or at an ATM (fees may apply at ATMs). Some card providers may also offer services like bill paying and funds transfer. To find out if your employer offers paycards, ask your company's payroll department.



Understanding Banking Fees

EXAMPLE OF MONTHLY FINANCIAL SERVICE FEES¹

	PAPER PAYCHECK	DIRECT DEPOSIT	PAYCARD FEES ²	PREPAID RELOADABLE CARD FEES ²
Check Cashing (4 checks/month @ \$500.00 each or \$2,000.00 total)	\$32.50 – \$86.67 ⁷	\$0.00	\$0.00	\$0.00 – \$8.00
Bill Pay	\$8.70	\$0.00	\$0.00	\$0.00 – \$2.50
Enrollment Fee	\$0.00	\$0.00	\$0.00	\$0.00 – \$18.00
Monthly Fee	Not Applicable	\$0.00 – \$7.00 ⁴	\$0.00 ³	\$5.00 – \$9.95 (fee may be waived if you maintain a high balance)
ATM Fees (based on 4 transactions and estimated at \$4/transaction)	Not Applicable	\$0.00 ⁴	\$0.00 ³	\$16.00
MONTHLY COST	\$41.20 – \$95.37 ⁷	\$0.00 – \$7.00	\$0.00 – \$8.00 ⁵	\$21.00 – \$36.45 ⁸
ANNUAL COST	\$494.40 – \$1,144.44 ⁷	\$0.00 – \$84.00	\$0.00 – \$96.00	\$252.00 – \$455.40 ⁶

¹ Sample monthly fee schedule. Fees vary by issuer and provider. One time activation fee, ATM fees, transaction fees and reload fees will apply at various reload stations. Your fees and potential savings may vary based on the type of card you select.

² Based on direct deposit of paycheck to a paycard or prepaid reloadable card.

³ Paycards typically do not have a monthly fee and allow one free ATM transaction per pay period.

⁴ Fees on checking and savings accounts vary. Many banks offer free checking and savings accounts, and will allow free unlimited transactions at their own ATM machines. Be aware that banks charge an average of \$30 per bounced check fee (<https://www.bankrate.com/banking/checking/checking-account-survey>).

⁵ The \$8 estimate assumes two additional non-paycheck ATM transactions per month at \$4/transaction. Some retailers may offer fee-free transactions at their point-of-sale terminals.

⁶ Other fees may include: Customer Service Calls, \$0.00 – \$1.50; and Replacement Card Fees, \$3.95 – \$5.95.

⁷ Based on check cashing industry fees, which average between 1.5% – 4%.

⁸ Not including potential enrollment fee.



Helpful Paycard Guidelines from PayrollOrg and The National Consumer Law Center

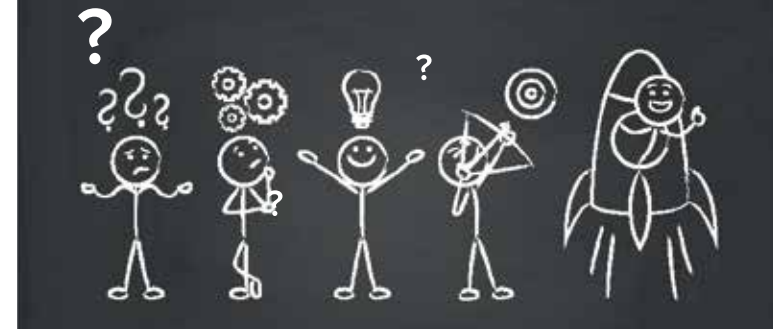
Paycards can offer unbanked workers an economical, safe and convenient way to receive their wages. But not all cards are created equal. The guidelines below were developed to help you make an informed decision before signing up for a paycard with your employer.

If you're to be paid by paycard, be sure to verify with your employer on all of the following:

1. **Can I access my full wages in cash at least once each pay period without fees?** Free and clear access is required by the state wage and hour laws and is critical to the success of any paycard program. Common methods of cash access include bank teller transactions, ATM withdrawals, convenience checks, and cash back from point of sale purchases.
2. **Do I have a choice of another payment method?** If so, can I change my choice later? Under federal law, employees cannot be forced to receive their wages on a paycard, and must have the choice of another payment method, typically direct deposit to an account of the employee's choosing. State wage and hour laws may also require a choice of a paper paycheck option. Verify that employees can change how they're paid if they want to do so.
3. **Is the paycard offered widely accepted?** The logo of a widely accepted payment brand (i.e., Visa, Mastercard, or Discover) signals to employees that they can take their card to any bank that displays the logo of the payment brand and receive their full wages from the teller each pay period without fees. In addition, branded paycards can be used to make purchases and pay bills in person, online, and over the telephone. A wide, convenient surcharge-free ATM network linked to the paycard is also important to help employees avoid third party ATM surcharge fees.
4. **Your employer should provide clear information and training on use of the paycard and possible fees.** Training can ensure that employees understand the key terms and know how to access their wages without fees. Pricing for discretionary services should be reasonable and easily understandable.
5. **You must be provided free and convenient access to account information.** You need free access to account information to check your balance, spot unauthorized charges, monitor fees, and manage your finances. You should not be charged a fee for responsible behavior, such as checking your balance using an automated telephone system. Additional free means of accessing account information, like automated text messages and smart phone applications, are becoming more common.
6. **Is the card balance protected by deposit insurance?** Your wages must be protected if the bank holding the funds goes out of business. Employers should select a program that maintains payroll funds in an FDIC- or NCUA-insured account on a pass-through basis to the individual cardholder.
7. **Does the card have overdraft protection?** Paycards are often promoted as a budgeting tool for low income workers. You usually can spend only those funds deposited onto the card. To prevent confusion and ensure that the program truly promotes financial responsibility, employers should consider selecting programs that do not offer overdraft protection or other embedded credit features. Such features can be unsafe for employees if used unwisely and can result in a cycle of debt. This principle does not prohibit a program from covering an occasional inadvertent overdraft transaction if there is no charge to the employee.
8. **Be wary of employer incentives.** Some paycard programs pay cash incentives to the employer. Those funds might be better spent improving the card program for employees.

EXERCISE 5

QUESTIONS



Using the chart below, decide how each employee should ask to be paid.

1. Should Bobby ask to be paid differently if he opens a bank account while working for the coffee shop?

2. Valerie just opened a bank account and started working for a local restaurant that offers paycards and direct deposit. How should she ask to be paid?

3. Emily's company pays employees by direct deposit or paycards only. Emily doesn't have a bank account. How should she ask to be paid?

Your company offers direct deposit only	+	You DO have a checking account	=	Direct Deposit
Your company offers direct deposit AND paycards	+	You do NOT have a checking account	=	Paycards

REFERENCE

MINIMUM WAGE

WHAT STATE DO YOU LIVE IN?

As of May 1, 2023, 30 states and the District of Columbia have a minimum wage rate higher than the federal minimum wage.

THE FEDERAL MINIMUM WAGE IS \$7.25 PER HOUR.

There are also local minimum wage rates that may be in effect for counties and cities.

DO YOU WORK AS A WAITER?

If you do, you'll get paid no less than \$2.13 per hour plus tips. Some states may require a higher hourly rate. In these states, you must be paid the higher amount.

\$2.13 PER HOUR + TIPS = AT LEAST THE FEDERAL MINIMUM WAGE*

*IF NOT, YOUR EMPLOYER MUST MAKE UP THE DIFFERENCE.

Alaska	\$10.85
Arizona	\$13.85
Arkansas	\$11.00
California	\$15.50
Colorado	\$13.65
Connecticut	\$14.00
Delaware	\$11.75
District of Columbia	\$16.10 (\$17.00, effective 7/1/23)
Florida	\$11.00
Hawaii	\$12.00
Illinois	\$13.00
Maine	\$13.80
Maryland	\$13.25 (large employers) \$12.80 (small employers)
Massachusetts	\$15.00
Michigan	\$10.10
Minnesota	\$10.59 (large employers) \$8.63 (small employers)
Missouri	\$12.00
Montana	\$9.95 (\$4.00 if employer's annual gross sales are \$110,000 or less)
Nebraska	\$10.50

Nevada	\$10.50; \$9.50 if employer provides health benefits (\$11.25; \$10.25 if employer provides health benefits, effective 7/1/23)
New Jersey	\$14.13 (large employers) \$12.93 (small and seasonal employers)
New Mexico	\$12.00
New York	\$14.20 \$15.00 (NYC, Long Island, and Westchester County)
Ohio	\$10.10 (\$7.25 if employer's annual gross receipts are less than \$372,000)
Oregon	\$13.50 (\$14.20, effective 7/1/23) \$14.75 (\$15.45, effective 7/1/23) \$12.50 (\$13.20, effective 7/1/23)
Rhode Island	\$13.00
South Dakota	\$10.80
Vermont	\$13.18
Virginia	\$12.00
Washington	\$15.74
West Virginia	\$8.75

REFERENCE

OVERTIME

Your employer is required by federal law to pay an overtime rate of 1.5 times your regular pay for all hours worked over 40 in one week. In Alaska, California, and Nevada overtime is paid for all hours worked over eight in one day. Employees in Colorado earn overtime on the greater of 40 hours per week or 12 hours per day. In Oregon, manufacturers must pay overtime for hours in excess of 8 in a day.

Example:

YOU WORK 48 HOURS IN ONE WEEK
AT \$11 PER HOUR.

\$11 per hour x 48 hours = \$528

\$11 per hour x 8 hours x .5 = \$44

Gross Pay = \$528 + \$44 = \$572

SOME STATES MAY REQUIRE
FURTHER RESTRICTIONS FOR
TEEN WORKERS. VISIT YOUR
STATE'S DEPARTMENT OF LABOR
WEBSITE TO LEARN MORE ABOUT
STATE REGULATIONS THAT
AFFECT YOU AND YOUR JOB.

Teen Jobs

**TO WORK IN MOST JOBS, YOU
MUST BE 16 YEARS OLD.**

According to the U.S. Department of Labor, teens age 14 and 15 may work in various jobs, but they must follow these rules:

1. May not work more than three hours on a school day or 18 hours in a school week.
2. May work eight hours on a non-school day or 40 hours in a non-school week.
3. May not begin work before 7 a.m. or end after 7 p.m., except in the summer when evening hours are extended until 9 p.m.



GLOSSARY

Beneficiary: A person or group selected to collect funds or other property under an insurance policy, retirement savings plan, or other legal document, in the event of an individual's death.

Benefits: Perks offered by your employer, such as medical and dental insurance. May be paid for by the employer, the employee, or a combination of both.

Child Tax Credit: Employees who have children under the age of 17 may be eligible to save up to \$2,000 in taxes per child.

Deductions: An amount subtracted from a paycheck. The amounts are used to fund government programs, personal savings, and more.

Dependents: The employee's unmarried children under age 19 (age 24 if the child is a student).

Diagnostic: Testing done by a doctor or insurance company to find out if an employee has a disease or other condition.

Direct Deposit: The electronic deposit of funds into a financial account.

Dividends: A portion of a company's earnings paid to people who own stock in that company.

Earned wage access: Programs that allow employees to request a certain amount of their earned wages before payday. Also known as early wage access, accrued wage access, on-demand pay, same-day pay, and instant pay.

Exempt: Not legally required to pay taxes. Generally, you may claim exempt if you had no federal income tax liability in 2022 and expect no federal income tax liability in 2023 and if you are single and earn less than \$13,850. However, if your parents claim you as a dependent on their tax return, you can generally earn up to \$13,850 and claim exempt as long as your unearned income (interest & dividends) is less than \$400. As a dependent, you can also claim exempt if you have more than \$400 of unearned income and your total income is less than \$1,250.

Federal Income Tax: A tax on the money an employee earns that is used to fund the federal government. It's typically deducted from your paycheck automatically. The amount deducted is based on how much you earn and the filing status and adjustments you have on the Form W-4.

FICA: Federal Insurance Contributions Act. A law that requires all employees to contribute 7.65% of their earnings toward Social Security (6.2% of up to \$160,200) and Medicare (1.45% of all wages) programs.

Filing status: This is your anticipated filing status on your personal tax return. The filing statuses are single or married filing separately, married filing jointly or qualifying surviving spouse, or head of household.

Form W-4: A form typically filled out when you begin a job. Your employer determines how much income tax to deduct from your paycheck based on information from five steps.

Gross Pay: Your total pay before any deductions are subtracted.

Head of Household: A filing status that may be claimed by an employee who is unmarried and pays more than half the costs of keeping up a home for the employee and a "qualifying individual." This is the filing status often claimed by single parents.

Local Income Tax: A tax on the money an employee earns that is used to fund the local government. It's typically deducted from your paycheck automatically.

GLOSSARY

Medicare: A federal program that provides medical insurance to Americans with certain disabilities and those who are age 65 or older. The program is funded as part of FICA.

Minimum Wage: The lowest hourly wage employers may legally pay their employees.

National Payroll Week: Held annually during the week of Labor Day (September 4-8, 2023), this campaign educates employees in America about their paychecks, the payroll withholding system, and payroll-related benefits. More information is available at www.nationalpayrollweek.com

Net Pay: Actual amount of an employee's paycheck after deductions are subtracted.

Overtime Pay: A premium pay rate for any work done beyond 40 hours in one week. Under federal law, employees must be paid 1.5 times their regular rate of pay for hours worked beyond 40 in one week. Overtime rules vary by state. Visit your state's department of labor website to learn more about state overtime rules.

Paycard: Issued by an employer to an employee, a paycard works like a debit card. An employer will deposit an employee's net pay onto the card each payday. Paycards typically do not have a monthly fee, and an employee can usually make a certain number of fee-free withdrawals each month from authorized ATMs. Point-of-sale purchases are usually fee-free.

PayrollOrg: A professional organization that educates the individuals who calculate employee paychecks — payroll professionals. More information is available at Payroll.org.

Preventive: Treatment plan created by a physician that prevents or slows the advancement of an illness or disease.

Single: Not legally married. You're still legally single even if you are dating someone.

Social Security: A federal program that provides an income to surviving family members of an employee who dies, retired persons age 62 or older, and the disabled. The program is funded as part of FICA.

Spouse: The husband or wife of an employee.

State Income Tax: A tax on the money an employee earns that is used to fund the state government. It's typically deducted from your paycheck automatically. The amount deducted is based on how much you earn and the filing status and adjustments you have on the Form W-4 or a state form that serves the same purpose.

Tax Credit: An amount you can subtract from the tax you would otherwise owe; see Child Tax Credit entry.

Tax-Deferred: Money that will be taxed at a later date.

Tax Liability: The amount of tax you must pay.

Tax Withholding Estimator: An online tool provided by the Internal Revenue Service that employees may find helpful when completing a Form W-4. It is available at <https://www.irs.gov/individuals/tax-withholding-estimator>.

Withholding: An amount from your paycheck that your employer sends to the government as payment for your tax liability.

GOOD LUCK!

We
JUST GOT
PAID!



2023
MONEY
MATTERS

STUDENT
HANDBOOK

