

2024



MONEYMATTERS

Unlocking Your Payday Potential

Student Handbook



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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.	wEmployer 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.

2024 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.		2024
Step 1: Enter Personal Information	(a) First name and middle initial Margaret A Address 4567 East 14th Street City or town, state, and ZIP code New York, NY 13579	Last name Quinn	(b) Social security number 123-45-6789	
	(c) <input checked="" 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, and when to use the estimator at www.irs.gov/W4App .				
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) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4). If you or your spouse have self-employment income, use this option; or (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"/>			
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.			
	<i>Margaret A. Quinn</i> Employee's signature (This form is not valid unless you sign it.)		5/8/2024 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 (2024)	

2024 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 2024
Step 1: Enter Personal Information	(a) First name and middle initial _____ Last name _____ Address _____ City or town, state, and ZIP code _____	
	(b) Social security number _____ 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 .	
	(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, and when to use the estimator at www.irs.gov/W4App .		
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) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4). If you or your spouse have self-employment income, use this option; or (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"/>	
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. _____ 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 (2024)	Page 2
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 2024 if you meet both of the following conditions: you had no federal income tax liability in 2023 and you expect to have no federal income tax liability in 2024. You had no federal income tax liability in 2023 if (1) your total tax on line 24 on your 2023 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 2024 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, 2025. Your privacy. Steps 2(c) and 4(a) ask for information regarding income you received from sources other than the job associated with this Form W-4. If you have concerns with providing the information asked for in Step 2(c), you may choose Step 2(b) as an alternative; if you have concerns with providing the information asked for in Step 4(a), you may enter an additional amount you want withheld per pay period in Step 4(c) as an alternative. When to use the estimator. Consider using the estimator at www.irs.gov/W4App if you: 1. Expect to work only part of the year; 2. Receive dividends, capital gains, social security, bonuses, or business income, or are subject to the Additional Medicare Tax or Net Investment Income Tax; or 3. Prefer the most accurate withholding for multiple job situations. 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 these taxes through withholding from your wages, use the estimator at www.irs.gov/W4App to figure the amount to have withheld. Nonresident alien. If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.	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. Option (a) most accurately calculates the additional tax you need to have withheld, while option (b) does so with a little less accuracy. Instead, 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 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. 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. 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 2024 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.

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

The gourmet coffee shop pays its employees weekly. 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 weekly 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) _____

TABLE 1

FEDERAL TAX TABLE

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

2024 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	\$145	\$0	\$0	\$0	\$0	\$0	\$0
\$145	\$155	\$0	\$0	\$0	\$0	\$0	\$1
\$155	\$165	\$0	\$0	\$0	\$0	\$0	\$2
\$165	\$175	\$0	\$0	\$0	\$0	\$0	\$3
\$175	\$185	\$0	\$0	\$0	\$0	\$0	\$4
\$185	\$195	\$0	\$0	\$0	\$0	\$0	\$5
\$195	\$205	\$0	\$0	\$0	\$0	\$0	\$6
\$205	\$215	\$0	\$0	\$0	\$0	\$0	\$7
\$215	\$225	\$0	\$0	\$0	\$1	\$0	\$8
\$225	\$235	\$0	\$0	\$0	\$2	\$0	\$9
\$235	\$245	\$0	\$0	\$0	\$3	\$0	\$10
\$245	\$255	\$0	\$0	\$0	\$4	\$0	\$11
\$255	\$265	\$0	\$0	\$0	\$5	\$0	\$12
\$265	\$275	\$0	\$0	\$0	\$6	\$0	\$13
\$275	\$285	\$0	\$0	\$0	\$7	\$0	\$15
\$285	\$295	\$0	\$1	\$0	\$8	\$1	\$16
\$295	\$305	\$0	\$2	\$0	\$9	\$2	\$17
\$305	\$315	\$0	\$3	\$0	\$10	\$3	\$18
\$315	\$325	\$0	\$4	\$0	\$11	\$4	\$19
\$325	\$335	\$0	\$5	\$0	\$12	\$5	\$21
\$335	\$345	\$0	\$6	\$0	\$13	\$6	\$22
\$345	\$355	\$0	\$7	\$0	\$14	\$7	\$23
\$355	\$365	\$0	\$8	\$0	\$15	\$8	\$24
\$365	\$375	\$0	\$9	\$0	\$16	\$9	\$25
\$375	\$385	\$0	\$10	\$0	\$17	\$10	\$27
\$385	\$395	\$0	\$11	\$0	\$18	\$11	\$28
\$395	\$405	\$0	\$12	\$0	\$20	\$12	\$29
\$405	\$415	\$0	\$13	\$0	\$21	\$13	\$30
\$415	\$425	\$0	\$14	\$0	\$22	\$14	\$31
\$425	\$435	\$0	\$15	\$1	\$23	\$15	\$33
\$435	\$445	\$0	\$16	\$2	\$24	\$16	\$34
\$445	\$455	\$0	\$17	\$3	\$26	\$17	\$35
\$455	\$465	\$0	\$18	\$4	\$27	\$18	\$36
\$465	\$475	\$0	\$19	\$5	\$28	\$19	\$37
\$475	\$485	\$0	\$20	\$6	\$29	\$20	\$39
\$485	\$495	\$0	\$21	\$7	\$30	\$21	\$40
\$495	\$505	\$0	\$22	\$8	\$32	\$22	\$41
\$505	\$515	\$0	\$23	\$9	\$33	\$23	\$42
\$515	\$525	\$0	\$24	\$10	\$34	\$24	\$43
\$525	\$535	\$0	\$25	\$11	\$35	\$25	\$45
\$535	\$545	\$0	\$27	\$12	\$36	\$27	\$46
\$545	\$555	\$0	\$28	\$13	\$38	\$28	\$47
\$555	\$565	\$0	\$29	\$14	\$39	\$29	\$48
\$565	\$575	\$1	\$30	\$15	\$40	\$30	\$49
\$575	\$585	\$2	\$31	\$16	\$41	\$31	\$51
\$585	\$595	\$3	\$33	\$17	\$42	\$33	\$52
\$595	\$605	\$4	\$34	\$18	\$44	\$34	\$54
\$605	\$615	\$5	\$35	\$19	\$45	\$35	\$56
\$615	\$625	\$6	\$36	\$20	\$46	\$36	\$58
\$625	\$635	\$7	\$37	\$21	\$47	\$37	\$60
\$635	\$645	\$8	\$39	\$22	\$48	\$39	\$62
\$645	\$655	\$9	\$40	\$23	\$50	\$40	\$65
\$655	\$665	\$10	\$41	\$24	\$51	\$41	\$67
\$665	\$675	\$11	\$42	\$25	\$52	\$42	\$69
\$675	\$685	\$12	\$43	\$26	\$53	\$43	\$71
\$685	\$695	\$13	\$45	\$27	\$54	\$45	\$73
\$695	\$705	\$14	\$46	\$28	\$56	\$46	\$76
\$705	\$715	\$15	\$47	\$29	\$57	\$47	\$78

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)			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.			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			at least	but less than		Biweekly		
			Single	Married					Single	Married	
\$0	\$96		\$0	\$0	\$0	\$0	\$192		\$0	\$0	\$0
96	129		0	0	0	192	258		0	0	0
129	162		0	0	0	258	323		0	0	0
162	194		1	0	0	323	388		3	0	0
194	227		4	0	0	388	454		7	0	0
227	260		6	0	0	454	519		11	0	0
260	292		8	0	0	519	585		15	0	0
292	325		10	0	0	585	650		19	0	0
325	358		12	2	2	650	715		23	4	4
358	390		14	4	4	715	781		27	8	8
390	423		16	6	6	781	846		31	12	12
423	456		18	8	8	846	912		35	16	16
456	488		20	10	10	912	977		39	20	20
488	521		22	12	12	977	1,042		43	24	24
521	554		24	14	14	1,042	1,108		47	28	28
554	587		26	16	16	1,108	1,173		51	32	32
587	619		28	18	18	1,173	1,238		55	36	36
619	652		30	20	20	1,238	1,304		59	40	40
652	685		32	22	22	1,304	1,369		63	44	44
685	717		34	24	24	1,369	1,435		67	48	48
717	750		36	26	26	1,435	1,500		71	52	52
750	783		37	28	28	1,500	1,565		74	56	56
783	815		39	30	30	1,565	1,631		78	61	61
815	848		40	32	32	1,631	1,696		81	65	65
848	881		42	34	34	1,696	1,762		84	69	69
881	913		44	36	36	1,762	1,827		87	73	73
913	946		45	38	38	1,827	1,892		90	77	77
946	979		47	40	40	1,892	1,958		93	81	81
979	1,012		48	42	42	1,958	2,023		97	85	85
1,012	1,044		50	44	44	2,023	2,088		100	89	89
1,044	1,077		51	46	46	2,088	2,154		103	93	93
1,077	1,110		53	48	48	2,154	2,219		106	97	97
1,110	1,142		55	50	50	2,219	2,285		109	101	101
1,142	1,175		56	52	52	2,285	2,350		112	105	105
1,175	1,208		58	54	54	2,350	2,415		116	109	109
1,208	1,240		59	56	56	2,415	2,481		119	113	113
1,240	1,273		61	58	58	2,481	2,546		122	117	117
1,273	1,306		63	60	60	2,546	2,612		125	121	121
1,306	1,338		64	62	62	2,612	2,677		128	125	125
1,338	1,371		66	64	64	2,677	2,742		131	129	129
1,371	1,404		67	66	66	2,742	2,808		135	133	133
1,404	1,437		69	68	68	2,808	2,873		138	137	137
1,437	1,469		70	70	70	2,873	2,938		141	141	141
1,469	1,502		72	72	72	2,938	3,004		144	144	144
1,502	1,535		74	74	74	3,004	3,069		147	147	147
1,535	1,567		75	75	75	3,069	3,135		150	150	150
1,567	1,600		77	77	77	3,135	3,200		154	154	154
1,600	1,633		78	78	78	3,200	3,265		157	157	157
1,633	1,665		80	80	80	3,265	3,331		160	160	160
1,665	1,698		82	82	82	3,331	3,396		163	163	163
1,698	1,731		83	83	83	3,396	3,462		166	166	166
1,731	1,763		85	85	85	3,462	3,527		169	169	169
1,763	1,796		86	86	86	3,527	3,592		173	173	173
1,796	1,829		88	88	88	3,592	3,658		176	176	176
1,829	1,862		89	89	89	3,658	3,723		179	179	179
1,862	1,894		91	91	91	3,723	3,788		182	182	182

Getting Paid

Go Green With Your Green

Every year, billions of paychecks are issued to America's 162 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 \$27 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?

Thirty states and the District of Columbia have a minimum wage rate higher than the federal minimum wage. The table to the right shows the minimum wage rates in those states and the District of Columbia as of January 1, 2024.

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	\$11.73
Arizona	\$14.35
Arkansas	\$11.00
California	\$16.00
Colorado	\$14.42
Connecticut	\$15.69
Delaware	\$13.25
District of Columbia	\$17.00 (\$17.50, effective 7/1/24)
Florida	\$12.00 (\$17.50, effective 7/1/24)
Hawaii	\$14.00
Illinois	\$14.00
Maine	\$14.15
Maryland	\$15.00
Massachusetts	\$15.00
Michigan	\$10.33
Minnesota	\$10.85 (large employers) \$8.85 (small employers)
Missouri	\$12.30
Montana	\$10.30 (\$4.00 if employer's annual gross sales are \$110,000 or less)
Nebraska	\$12.00

Nevada	\$11.25; \$10.25 if employer provides health benefits (\$12.00; effective 7/1/23)
New Jersey	\$15.13 (large employers) \$13.73 (small and seasonal employers)
New Mexico	\$12.00
New York	\$15.00 \$16.00 (NYC, Long Island, and Westchester County)
Ohio	\$10.45 (\$7.25 if employer's annual gross receipts are less than \$385,000)
Oregon	\$14.20 (standard counties) \$15.45 (Portland metro counties) \$13.20 (nonurban counties)
Rhode Island	\$14.00
South Dakota	\$11.20
Vermont	\$13.67
Virginia	\$12.00
Washington	\$16.28
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 2023 and expect no federal income tax liability in 2024 and if you are single and earn less than \$14,600. However, if your parents claim you as a dependent on their tax return, you can generally earn up to \$14,600 and claim exempt as long as your unearned income (interest & dividends) is less than \$450. As a dependent, you can also claim exempt if you have more than \$450 of unearned income and your total income is less than \$1,300.

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 \$168,600) 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 2-6, 2024), 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!