**Practice Questions**

**Complete the following time card. Janice earns time and a half overtime when she works more than eight hours on a weekday or on Saturday. She earns double time on Sundays and holidays. Calculate Janice’s net pay if she earns $9.75 per hour, is married, and claims one withholding allowance.**

Challenge Problem: You will:

•        Complete time card.

•        Calculate hours worked

•        Calculate gross pay.

•        Calculate payroll deductions

•        Calculate net pay.

Weekly Time Card – Pay for period ending:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | IN | OUT | IN | OUT | Total Regular Hours | Total Overtime Hours |
| Monday | 7:00 | 11:00 | 11:30 | 4:30 | 8 | 4 |
| Tuesday | 8:00 | 12:00 | 12:30 | 4:30 | 8 | - |
| Wednesday | 8:00 | 12:00 | 12:30 | 4:30 | 8 | - |
| Thursday | 7:00 | 11:00 | 12:30 | 5:30 | 8 | - |
| Friday | 8:00 | 12:00 | 12:30 | 4:30 | 8 | - |
| Saturday | 7:00 | 12:00 | - | - | 5 | - |
| Sunday |  |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Hours | Rate | Gross Pay |
| Regular | 40 | 9.75 | 390.00 |
| Overtime (1.5x) | 9 | 14.63 | 131.67 |
| Overtime (2x) | - | - | - |
| Total | 49 | 24.38 | 521.67 |

**Withholding = $31**

**Net pay = $521.67 – $31 = $490.67**

Case Study 7-2: you will:

•        Calculate net pay of activities director

•        Figure tax deduction.

•        Find take home pay with garnishment (dietician)

•        Use percentage method for withholding

•        Find net pay for regular hours (vehicle driver)

•        Find net pay for regular hours and overtime hours.

•        Find net pay minus child support (part-time care giver)

•        Use the percentage method to find net pay.

**Welcome Care, a senior citizen day care center, pays the major portion of its employees’ medical insurance - $150 of the $204 monthly premium for an individual employee. If an employee wishes coverage for a spouse or family, the employee must pay $126 or $212 per month respectively to cover herself or himself and the additional person(s). The center hires three new employees. Calculate their semimonthly take-home pay using the percentage method tables. The company pays time and a half for overtime hours in excess of 40 hours in a given week. Medical insurance premiums can be paid with pretax dollars. Withholding taxes, social security, and medicare deductions are calculated on the lower adjusted gross salary.**

1. An activities director is hired at an annual salary of $32,000. He is single with two dependent children (three withholding allowances) and wants family medical insurance coverage. Find his total deductions and his net income.

For 2008 taxes:

32,000-8,000 standard deduction for head of household-10,500 (3 personal exemptions)=13,500 taxable income = 1,456 tax

He would also have an earned income credit of 1,394 so if no withholding was done his tax would be 62 dollars.

I don't know what the medical insurance has to do with anything other than he probably wouldn't be able to afford it!