|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ED-3** |  |  |  |  |  |  |  |  |  |  |  |
| **Piniella Company company has the following data for the weekly payroll ending January 31.** | | | | | | | | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Hours** | | | | | | **Hourly** | **Federal Income Tax** | | **Health** | |
|  | **M** | **T** | **W** | **T** | **F** | **S** | **Rate** | **Withholding** | | **Insurance** | |
| Employees |  |  |  |  |  |  |  |  |  |  |  |
| M. Hindi | 8 | 8 | 9 | 8 | 10 | 3 | $11 | $34 | | $10 | |
| E. Benson | 8 | 8 | 8 | 8 | 8 | 2 | $13 | $37 | | $15 | |
| K. Estes | 9 | 10 | 8 | 8 | 9 | 0 | $14 | $58 | | $15 | |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Employees are paid 1½ times the regular hourly rate for all hours worked in excess of 40 hours per week. | | | | | | | | |  |  |  |
| FICA taxes are 8% on the first $106,800 of gross earnings. Piniella Company is subject to 5.4% state | | | | | | | | |  |  |  |
| unemployment taxes on the first $9,800 and 0.8% federal unemployment taxes on the first $7,000 of | | | | | | | | |  |  |  |
| gross earnings. | |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Instructions: |  |  |  |  |  |  |  |  |  |  |  |
| a. Prepare the payroll register for the weekly payroll. | | | | | |  |  |  |  |  |  |
| b. Prepare the journal entries to record the payroll and Piniella's payroll tax expense. | | | | | | | |  |  |  |  |