

Fine Print: Pay Stub

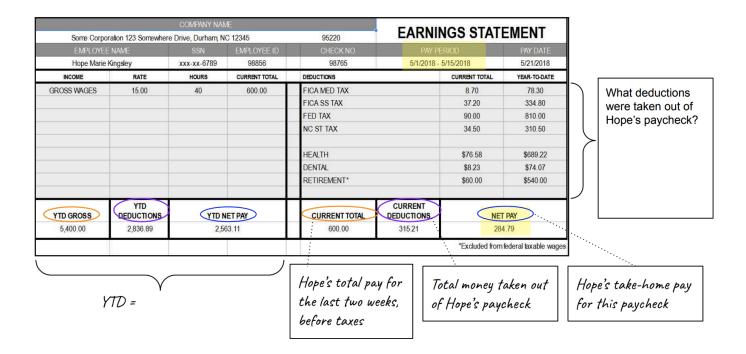
Suggestions for scaffolding this activity

- This activity is a part of the lesson <u>Taxes and Your Pay Stub</u> in the Taxes Unit
 - The lesson includes some great resources that will be accessible for many students, like the Edpuzzle Video <u>"How to Read a Pay Stub"</u> and the <u>"Reading a Pay Stub"</u> interactive.
 - Consider dividing this lesson across two classes:
 - one class on types of taxes and vocabulary (deduction, FICA, 401k, income tax)
 - one class on income vocabulary and pay stubs (gross, net, year-to-date)
- Check our Middle School Curriculum for resources on the same topic. For example, I might use <u>MS Lesson 3.4</u>
 Why Do We Pay Taxes?
- Strategies shown: annotation and question scaffolding

Strategy 1: Annotating the Resource

- Main idea summary (completed by student)
- Key definitions (provided by teacher or student)
- Guiding questions (completed by student)
- Relevant formulas (provided by teacher or student)

gross pay - deductions = net pay



<u>Summary:</u> Hope earned \$600 in the last two weeks. After deductions, her take-home pay was \$284.79. Her employer took out money for taxes, her health/dental insurance, and her retirement.

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Strategy 2: Scaffolded Questions

- Chunk multi-step tasks
- Provide hints that will bridge gaps and support students to make inferences.
- Link relevant resources or definitions
- Can use guides like CUBES for question annotations
- 4. Assuming that Hope receives a paycheck at regular intervals similar to the stub shown, <u>how many pay periods</u> has Hope had year-to-date (YTD)?

Hint: Assume Hope's gross pay is the same every pay period. What is her gross pay year-to-date?

- a. 2
- b. 3
- c. 8
- d. 9
- 7. Hope's contribution to her RETIREMENT plan

Hint: Review pre- and post-tax deductions <u>here</u>. What information does her pay stub give about her retirement contributions?

- a. is a **post-tax contribution** in which federal income taxes are paid
- b. is **pre-tax** and therefore not taxed for federal income tax purposes
- c. is a mandatory payroll deduction
- d. is taxed at a rate of 15%
- 9. One of Hope's coworkers quits and during the next pay period, Hope works 60 hours instead of 40 to help cover the shifts. Which of Hope's deductions will <u>definitely</u> change as a result?

Hint: Which deduction changes based on how much money you earn?

- a. Her Federal tax
- b. Her health
- c. Her dental
- d. Her retirement

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