

Fine Print: Pay Stub

Suggestions for scaffolding this activity

- This activity is a part of the lesson [Taxes and Your Pay Stub](#) in the Taxes Unit
 - The lesson includes some great resources that will be accessible for many students, like the Edpuzzle Video [“How to Read a Pay Stub”](#) and the [“Reading a Pay Stub”](#) 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 [MS Lesson 3.4 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*)

$$\text{gross pay} - \text{deductions} = \text{net pay}$$

COMPANY NAME				EARNINGS STATEMENT		
Some Corporation 123 Somewhere Drive, Durham, NC 12345				95220		
EMPLOYEE NAME	SSN	EMPLOYEE ID	CHECK NO.	PAY PERIOD	PAY DATE	
Hope Marie Kingsley	xxx-xx-6789	98856	98765	5/1/2018 - 5/15/2018	5/21/2018	
INCOME	RATE	HOURS	CURRENT TOTAL	DEDUCTIONS	CURRENT TOTAL	YEAR-TO-DATE
GROSS WAGES	15.00	40	600.00	FICA MED TAX	8.70	78.30
				FICA SS TAX	37.20	334.80
				FED TAX	90.00	810.00
				NC ST TAX	34.50	310.50
				HEALTH	\$76.58	\$689.22
				DENTAL	\$8.23	\$74.07
				RETIREMENT*	\$60.00	\$540.00
YTD GROSS	YTD DEDUCTIONS	YTD NET PAY	CURRENT TOTAL	CURRENT DEDUCTIONS	NET PAY	
5,400.00	2,836.89	2,563.11	600.00	315.21	284.79	

What deductions were taken out of Hope's paycheck?

YTD =

Hope's total pay for the last two weeks, before taxes

Total money taken out of Hope's paycheck

Hope's take-home pay for this paycheck

Summary: 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.

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, how many pay periods 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 [here](#). 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 definitely 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