

5. Let A represent the number of the paycheck for the year. For example, if the paycheck was the fifth of the year, A is 5. Let B represent the biweekly gross pay. Let C represent the biweekly union dues contribution. Let D represent the biweekly health insurance deduction. Let E represent the biweekly retirement plan contribution.
- Write an expression for the calendar year-to-date gross pay.
 - Write an expression for the pay period Social Security tax.
 - Write an expression for the calendar year-to-date Social Security tax (assume that the maximum will not be met).
 - Write an expression for the pay period Medicare tax.
 - Write an expression for the calendar year-to-date Medicare tax.
 - Write an expression for the calendar year-to-date union dues.
 - Write an expression for the calendar year-to-date health insurance deduction.
 - Write an expression for the calendar year-to-date retirement plan deduction.
 - Assume that the taxpayer pays 21% federal taxes. Write an expression for the pay period federal tax deduction.
 - Assume that the taxpayer pays 11% state taxes. Write an expression for the state tax deduction for a pay period.
 - Write an algebraic expression that represents the net pay for this pay period.
6. Complete the missing entries in the following pay stub.

EARNINGS		
PERIOD	AMOUNT	YTD AMOUNT
WEEKLY - #18	a.	\$21,510
DEDUCTIONS		
TAX TYPE	AMOUNT	YTD AMOUNT
Social Security	b.	c.
Medicare	d.	e.
Federal Tax	\$322.65	\$5,807.70
State Tax	\$191.20	\$3,441.60
ADJUSTMENTS		
ITEM	AMOUNT	YTD AMOUNT
Union Dues	f.	\$216.00
Family Health Ins.	\$23.95	g.

- As indicated in the paycheck number box, this is the 18th paycheck of the year. Determine the current gross pay.
- What is the Social Security tax for this pay period?
- What is the year-to-date Social Security tax?
- What is the Medicare tax for this pay period?
- What is the year-to-date Medicare tax?
- What are the union dues for this pay period if it is paid weekly?
- What is the year-to-date health insurance contribution if it is paid weekly?
- What is the state tax rate?
- What is the federal tax rate?

7. Andres is taxed at a 17% tax rate for his federal taxes. Last year, he reduced his taxable income by contributing \$350 per biweekly paycheck to his tax deferred retirement account and \$50 per biweekly paycheck to his FSA. How much did he reduce his annual federal taxes by if his gross biweekly pay is \$1,870?

8. Examine this portion of a taxpayer's W-2 form. Assume that the taxpayer's wages for the year are under the Social Security limit. What entry should be in Box 1?

9. Let the Medicare tax withheld in Box 6 be represented by x as shown. Write an algebraic expression that represents the federal income tax withheld assuming that the taxpayer pays 28% of his income in federal taxes and that there are no tax deferred entries for the year.

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1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages	4 Social security tax withheld \$4,789.81
5 Medicare wages and tips	6 Medicare tax withheld
7 Social security tips	8 Allocated tips
9 Advance EIC payment	10 Dependent care benefits

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1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages	4 Social security tax withheld
5 Medicare wages and tips	6 Medicare tax withheld x
7 Social security tips	8 Allocated tips
9 Advance EIC payment	10 Dependent care benefits

10. Determine the correct entry for Box 4.

11. Determine the correct entry for Box 1 assuming that the taxpayer pays 33% of his total income in federal taxes.

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1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages	4 Social security tax withheld
5 Medicare wages and tips	6 Medicare tax withheld \$1,346.76
7 Social security tips	8 Allocated tips
9 Advance EIC payment	10 Dependent care benefits

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1 Wages, tips, other compensation	2 Federal income tax withheld \$40,227.00
3 Social security wages	4 Social security tax withheld
5 Medicare wages and tips	6 Medicare tax withheld
7 Social security tips	8 Allocated tips
9 Advance EIC payment	10 Dependent care benefits

12. Martina is taxed at a rate of 25% for her federal taxes. Last year, she reduced her taxable income by contributing to a flexible savings plan in the amount of \$2,700. If her wages before the deduction were \$68,000, how much did she save in federal taxes by using the FSA?

13. Laurel's W-2 form reported total Medicare wages as \$100,750. She contributed \$30 per weekly paycheck to her FSA and \$75 per weekly paycheck to her retirement plan. She received a 1099 form from her bank for her savings account interest in the amount of \$690 and a 1099 form from an employer that she did some consulting work for in the amount of \$2,600. What is Laurel's taxable income?