**What Happened to My Paycheck?**

Ben was excited about his new \_\_\_\_\_\_\_. He had been hired at Super Wal-Mart. He was going to be a cashier. His starting wage was $6.00 an hour. He figured that working 30 hours a week would earn him $\_\_\_\_\_\_\_. That would mean $360.00 every two weeks. He was surprised when he got his first paycheck. He was not taking home $360.00. He was only taking home $288.00! What \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to all of his money? Where did it go?

       Employers take out certain payroll deductions. They are subtracted \_\_\_\_\_\_\_\_\_\_ your gross income. Gross income is the total amount of income from your \_\_\_\_\_\_\_\_\_\_\_\_\_\_ before payroll deductions. It’s the number of hours worked times the hourly rate of pay. Ben’s gross income was $360.00 a pay period.

       Net income is what you are left with \_\_\_\_\_\_\_\_\_\_\_ the payroll deductions have been removed. Net

income is also called take-home pay. This is the \_\_\_\_\_\_\_\_\_\_\_\_ you receive when you cash your check. It’s the amount you have to spend. Ben’s net \_\_\_\_\_\_\_\_\_\_\_\_\_\_ was $288.00.

       What are these payroll deductions? Where does the money go? \_\_\_\_\_\_\_\_\_\_\_\_\_\_ are the biggest portion. Taxes are fees placed on income, property, or goods to support \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ programs. These programs may be at a local, state, or federal level. The law says \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ must be taxed.

       Taxes are collected every pay period. There are four \_\_\_\_\_\_\_\_\_\_\_\_\_\_ ones: federal income tax, state income tax, Social Security tax, and Medicare tax. These taxes pay for many services. \_\_\_\_\_\_\_\_\_\_ and state tax dollars pay for road building and repair. They pay for our armed services. They also pay for schools, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and state and national parks.

       Social Security tax provides \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ money for the elderly, as well as support to survivors and the disabled. Medicare taxes provide for the medical \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ needs of eligible persons. These two taxes are known as FICA. What is it? FICA is the Federal Insurance Contributions Act. It was established to \_\_\_\_\_\_\_\_\_ for retirement, medical, and other social insurance needs.

       Ben wished his take-home pay was more. However, the law requires his employer to take out payroll \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.