

## Sample Paycheck Stub

When you have your first paycheck in hand, it may seem like you didn't make as much money as you had expected. Why? Because "deductions" are taken out of your paycheck. These deductions include things such as income tax, Social Security tax, Medicare tax, state or local taxes, and, possibly, the cost of health insurance or other employer-sponsored plans.

Check each pay stub to make sure your deductions are correct. Payroll departments can make mistakes, too. Also, keep your pay stubs so you have them to show proof of earnings.

### *Here are common items you may find on your paycheck stub:*

**Rate:** The hourly rate you are paid.

**Hours:** The number of hours you are being paid for in this pay period. (Most pay periods cover one or two weeks.)

**This Period:** How much you were paid this period.

**Year to Date:** How much you have earned this year.

**Gross Pay:** The total amount you earned before deductions.

**Net Pay:** The total amount you earned after deductions. This is the amount you have to live on each pay period.

### *You may find you've had several of the following deductions subtracted from your gross pay:*

**Federal and State Income Tax:** These are the largest deductions from your paycheck. The money helps pay for the military, roads, schools, police departments, and much more.

**Social Security and Medicare Tax:** This deduction pays for one-half of your Social Security and Medicare benefits; your employer pays the other half. About \$8 out of every \$100 you earn goes to pay these taxes.

**Health Coverage:** The amount you must pay for your plan.

**Life or Disability Insurance:** The amount you pay for insurance. You may be able choose how much coverage you want to have.

**Retirement Plan:** You choose how much to take out and put into your plan.



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<b>Earnings</b>	<b>Rate</b>	<b>Hours</b>	<b>This Period</b>	<b>Year to Date</b>
Regular	13.02	80	1,041.60	
	<b>Gross Pay</b>		<b>\$1,041.60</b>	\$12,323.81
<b>Deductions</b>	<b>Statutory</b>			
	Federal Income Tax		-82.19	959.85
	Social Security Tax		-64.59	764.08
	Medicare Tax		-15.11	178.70
	State Income Tax		-34.27	402.34
	City Income Tax		-3.14	34.50
<b>Net Pay</b>			<b>\$842.30</b>	\$9,266.07



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