LESSON 21  PART 1 (PAYROLL) OF 2 PARTS (PART 2 BUDGET) on the next lesson.

This lesson will illustrate several concepts. The first and obvious one is using a spreadsheet to calculate payroll. You will discover that we have provided for you Federal – State and FICA tax. You will also discover that we have provided for you earning three different amounts of money. (1) State minimal $8.30 an hour with no formal education. (2) $15.00 some post-secondary education showing overtime. (3) $30.00 a formal education 2-Years Trade school. (4) formal Education 4 years. You may earn more with a high education, this is only an example of what you can do for the rest of your life.

Equations will be listed below that you will use in this spreadsheet. You may use a fill down once you have row 6 typed in.

Federal income tax = .1
State of Ohio income tax = .093
FICA .0495%

FICA is an acronym for "Federal Insurance Contributions Act." FICA tax is the money that is taken out of workers' paychecks to pay older Americans their Social Security retirement and Medicare (Hospital Insurance) benefits. It is a mandatory payroll deduction.