

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.

D	E	F	G	H	I	J	K	L	M	N	O
				Total	Federal	State					
		Reg	Over	Gross	Income	Income	FICA	Insurance	Union	Total	Net
Hours	Rate	Pay	time	Pay	Tax	Tax	Tax	Premium	Dues	Deduction	Pay
40	8.3	=IF(D6<=40,D6*E6,40*E6)	=IF(D6>40,((D6-40)*E6*1.5),0)	=F6+G6	=H6*0.1	=H6*0.093	=H6*0.0495	10	10	=(I6+J6+K6+L6+M6)	=H6-N6
45	15										
40	30										
40	40										

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.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Your Name														
2	Payroll Journal														
3							Total	Federal	State						
4	Employee	Maratal	Exemptions			Reg	Over	Gross	Income	Income	FICA	Insurance	Union	Total	Net
5	Name	Status		Hours	Rate	Pay	time	Pay	Tax	Tax	Tax	Premium	Dues	Deductio	Pay
6	Your Name	S	O	40	\$8.30	\$332.00	\$0.00	\$332.00	\$33.20	\$30.88	\$16.43	\$10.00	\$10.00	\$100.51	\$231.49
7	Your Name	S	O	45	\$15.00	\$675.00	\$112.50	\$787.50	\$78.75	\$73.24	\$38.98	\$10.00	\$10.00	\$210.97	\$576.53
8	Your Name	S	O	40	\$30.00	\$1,200.00	\$0.00	\$1,200.00	\$120.00	\$111.60	\$59.40	\$10.00	\$10.00	\$311.00	\$889.00
9	Your Name	S	O	40	\$40.00	\$1,600.00	\$0.00	\$1,600.00	\$160.00	\$148.80	\$79.20	\$10.00	\$10.00	\$408.00	\$1,192.00