

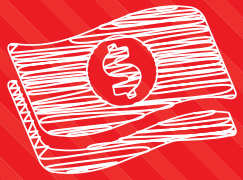
Taxes and My Income Vocabulary

TAXES: Required payments to a government.



INCOME TAX: A portion of one's personal income paid to a government.





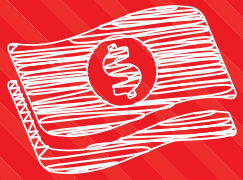
Taxes and My Income Vocabulary

SOCIAL SECURITY:

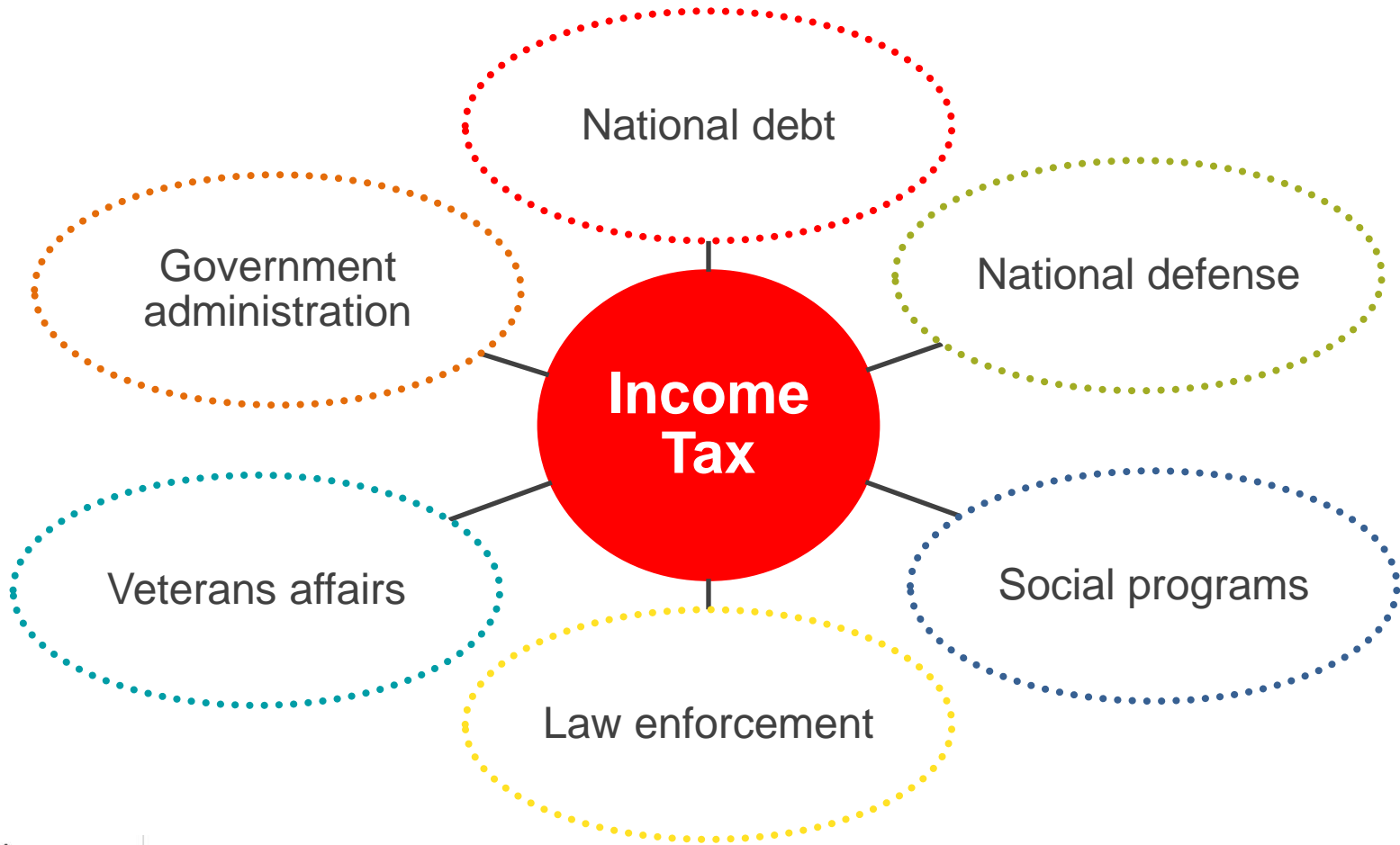
A social insurance system that provides benefits to most Americans who are retired, sick, or too disabled to work, and to families of workers who have died.

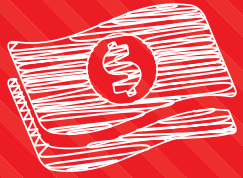


MEDICARE: A social insurance program that extends health coverage to almost all Americans age 65 and over.

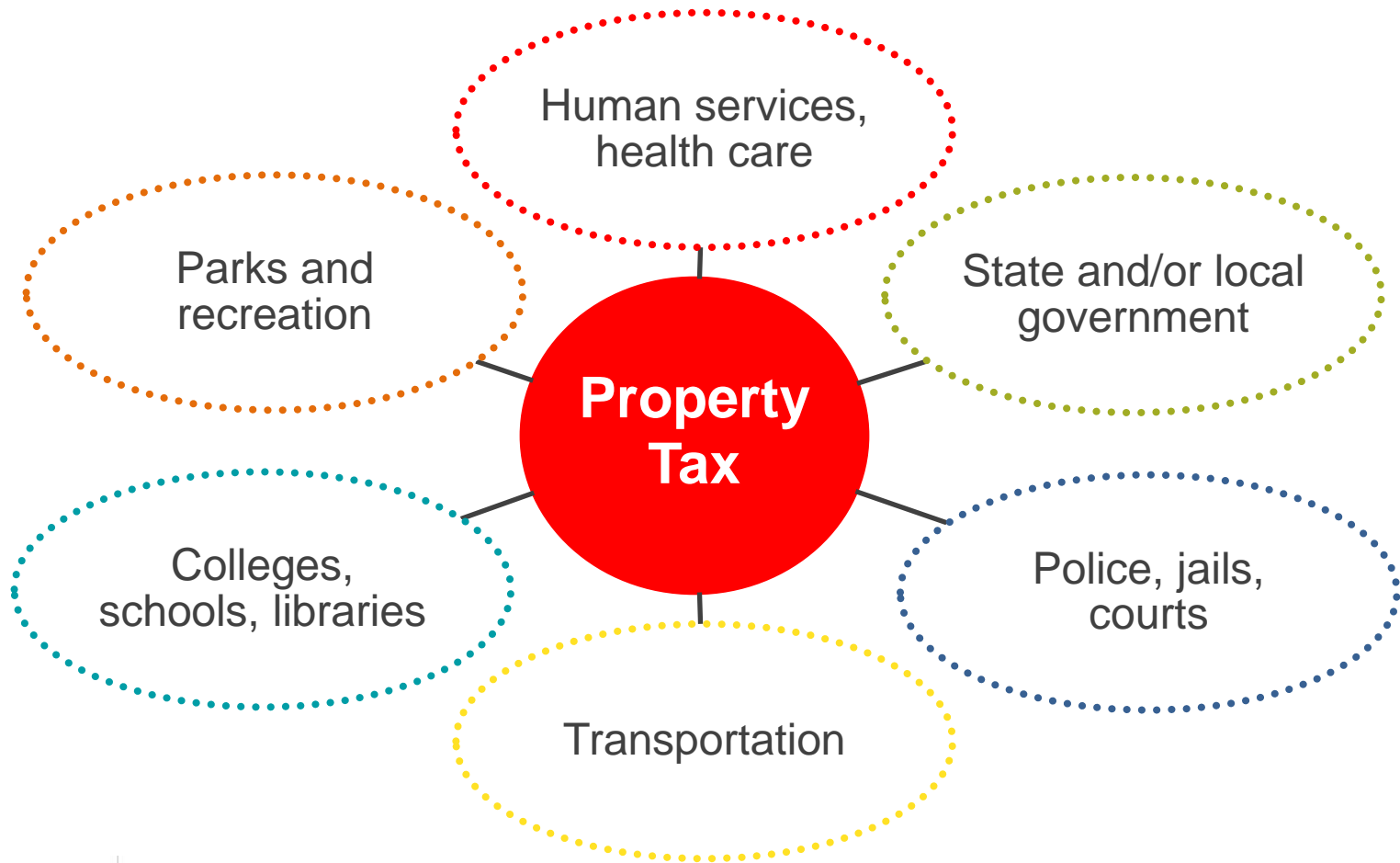


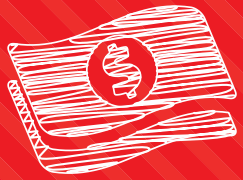
Income Tax Uses



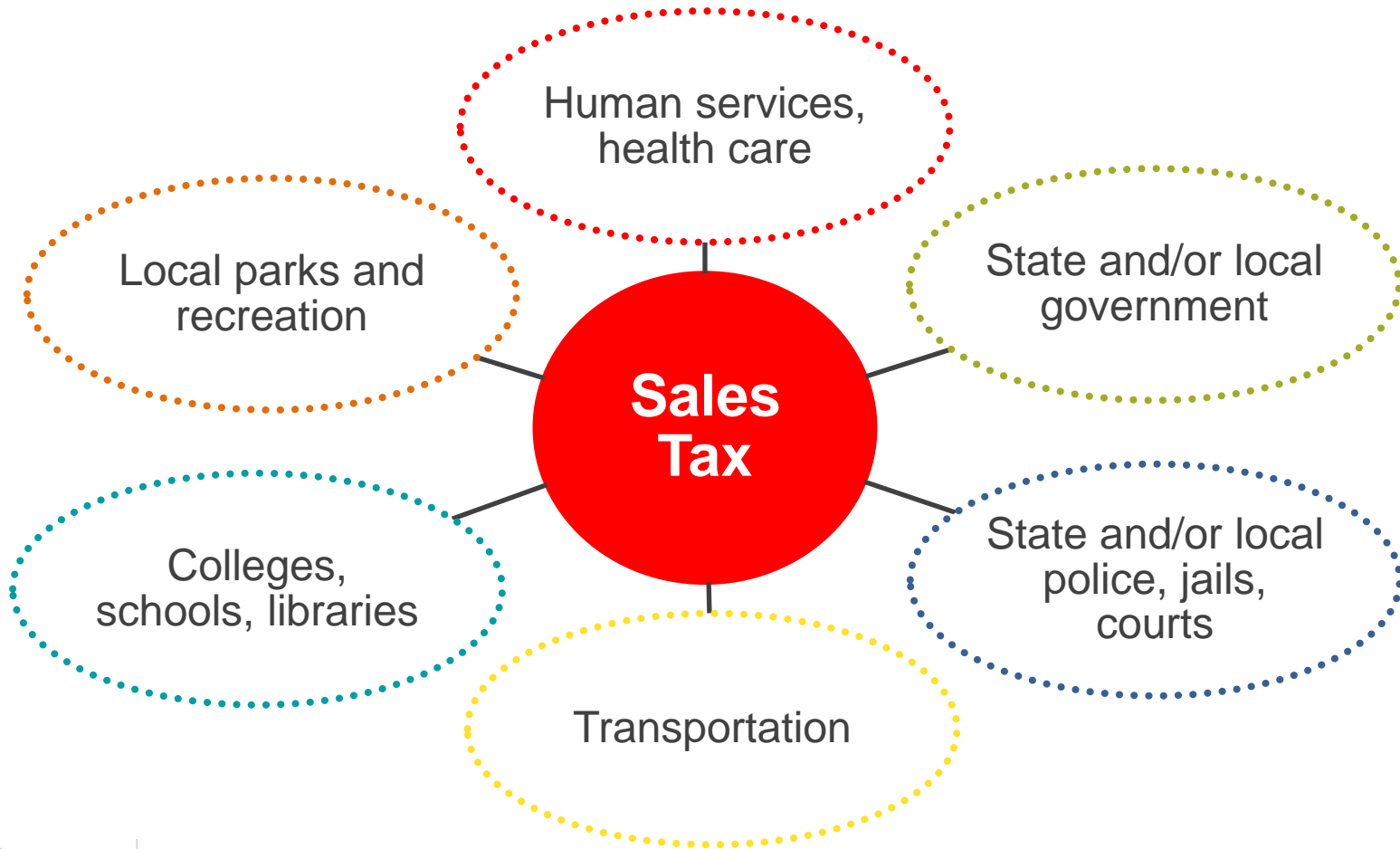


Property Tax Uses





Sales Tax Uses



Jason's Paycheck

ABC Medical Corporation
1 Corporate Rd.
Anytown, USA 10001

Period Ending: 06/14/13
Pay Date: 06/28/13

Jason Winters 555 Pine Court Anytown, USA 10001	Social Security Number 111-11-1111 Taxable Marital Status: Single	Exemption/Allowances: Federal: 0 State: 0 Local: 0
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	Earnings Rate	Hours	This Period	Year to Date
Regular	\$12.00	80.00	\$960.00	\$960.00
Overtime	00.00	00.00	00.00	00.00
Vacation	00.00	00.00	00.00	00.00
Holiday	12.00	00.00	00.00	00.00
Gross Pay			\$960.00	\$960.00

Deductions:				
Federal Income Tax			\$114.14	\$114.14
State Income Tax			\$42.24	\$42.24
Medicare Tax			\$13.92	\$13.92
FICA			\$59.52	\$59.52

Other:				
Health Insurance			00.00	00.00
401K*			00.00	00.00
Transfer to Savings			00.00	00.00

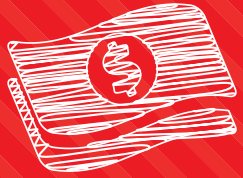
Net Pay (Checking ACH) \$730.18

*Excluded from federal taxable wages

Pay Period	Earnings	Taxes	Other	Deposit Number	Check Amount
06/01/13 - 06/14/13	\$960.00	\$229.82	\$0.00	1211111111111	\$730.18

Tear Here

ABC Medical Corporation	DATE 06/28/13
SEVEN HUNDRED THIRTY DOLLARS AND 18/100	\$730.18
PAY TO THE ORDER OF Jason Winters 555 Pine Court Anytown, USA 10001	CHECK NUMBER 12345678



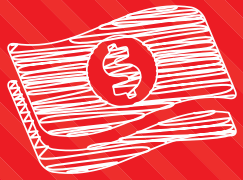
Paycheck Vocabulary

GROSS ANNUAL INCOME (GAI): Total pay or earnings made over a one-year period before any deductions have been taken.

GROSS MONTHLY INCOME (GMI): Total amount of earnings made over a month before any deductions (1/12 of GAI).

NET ANNUAL INCOME (NAI): Income amount remaining after a year's worth of deductions have been taken.

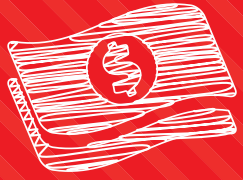
NET MONTHLY INCOME (NMI): Amount of monthly income remaining after all deductions have been taken (sometimes referred to as take-home pay).



Calculating Net Monthly Income



GAI divided by 12 = **GMI**
GMI minus all monthly deductions = **NMI**



Where Do Our Federal Taxes Go?

