

Homework Assignment with ANSWER KEY*

Project 4 – Mandatory Payroll Deductions

This section's Homework Assignment focuses on practicing how to calculate Wages and Commissions, along with determining Gross Pay with different Pay Periods (weekly, bi-weekly, semi-monthly, and monthly.)

Homework Assignments may cover materials from earlier Projects along with current content. Remember that you can always go back to earlier Projects if you need help.

- Using the information below, calculate the FICA deductions for each employee's first paycheck of the year
 - Social Security withholding rate – 6.2% up to \$160,200
 - Medicare withholding rate – 1.45%

All employees are paid weekly

Employee	Gross Wages	Social Security	Medicare
1	\$600.00		
2	\$735.65		
3	\$1,230.18		
4	\$4,952.92		

- Using the information below, calculate the Gross Wages and FICA deductions for each employee's first paycheck of the year
 - Social Security withholding rate – 6.2% up to \$160,200
 - Medicare withholding rate – 1.45%

All employees are paid bi-weekly

Employee	Wage/Salary	Hours	Social Security	Medicare
1	\$15.00 per hour	40		
2	\$7.25 per hour	47		
3	\$10.35 per hour	42		
4	\$15.00 per hour	44		

- 3 Using the information below, calculate the FICA deductions for each employee's paycheck.
- Social Security withholding rate – 6.2% up to \$160,200
 - Medicare withholding rate – 1.45%

NOTE – The **Previous Wages** information will help you determine if the employee has reached (or is reaching) their wage limit during this pay period. Remember, you are calculating the FICA amounts for this period's wages only.

Employee	Previous Wages	Wages This Period	Social Security	Medicare
1	\$41,147.28	\$2,285.96		
2	\$175,032.96	\$4,476.46		
3	\$158,432.01	\$4,952.92		
4	\$35,455.20	\$738.65		

- 4 Using the information below, calculate the gross wages and FICA deductions for this employee
- Social Security withholding rate – 6.2% up to \$160,200
 - Medicare withholding rate – 1.45%

The employee is paid semi-monthly and receives an annual salary of \$38,190 plus an Incremental Commission based on the scale below. For this week's pay period, the employee made \$5,783.00 in sales.

Salary This Pay Period	Commission This Week	Gross Pay For This Week	Social Security Withholding	Medicare Withholding
\$1,591.25	\$152.95			

Weekly Sales	Commissions Rate
\$0 to \$1,000	2.00%
\$1,001 to \$5,500	2.75%
\$5,501 to \$9,250	3.25%
\$9,251 and up	5.00%

If you have questions or need assistance, reach out to the [bsnsAtlas](#) team in our private Facebook group at:

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