

Homework Assignment **with ANSWER KEY\***

## Project 5 – Voluntary Payroll Deductions

This Project's Homework Assignment focuses on practicing how to calculate Net Pay with various Voluntary Deductions and 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 Insurance Premium deductions per pay period for each employee. The employer pays 70% of the employee's monthly premium and none for dependents.

Employee	Deduct	Monthly Premiums			Deduction Per Pay Period
		Employee	Spouse	Child(ren)	
1	Evenly out of all 52 weeks per year	\$889.00	\$875.00	---	\$263.47
2	Semi-Monthly	\$1,327.00	---	\$2,249.00	\$1,323.55
3	Monthly	\$923.00	---	---	\$276.90
4	First 4 weekly checks per month	\$747.00	\$923.00	\$662.00	First 4 per month = \$452.28 Fifth = \$0.00

\* monthly premiums

- Using the information below, calculate the Net Wages for the employee:
  - Hourly wage – \$22.45
  - Hours: First week – 47  
Second week – 39
  - Social Security withholding – 6.2% up to \$160,200
  - Medicare withholding – 1.45%
  - Pre-tax IRA contribution – \$53.88 per check
  - Employee portion of insurance premiums – \$774.38 per month
    - \$774.38 per month
    - Deducted out of only the first four checks each month
  - Net Pay for the first bi-weekly pay period of the year: \$\_\_\_\_\_

3 Using the information below, calculate the Net Wages for the employee:

- Hourly wage – \$19.47
- Hours: First week – 36  
Second week – 39
- Social Security withholding – 6.2% up to \$160,200
- Medicare withholding – 1.45%
- Employee portion of insurance premiums: \$394.36 per month
- Union Dues - \$30.00 per check
- Payroll Advance Repayment - \$75.00
- Net Pay for the first weekly pay period of the year: \$\_\_\_\_\_

### SOLUTIONS

#### Question #2

##### First week Gross Pay

- Regular Pay of 40 hours @ \$22.45 = \$898.00
- Overtime Pay of 7 hours @ \$33.68 = \$235.76

##### Second week Gross Pay

- Regular Pay of 39 hours @ \$22.45 = \$875.55

Total Gross Pay:  $898.00 + 235.76 + 875.55 = \$2,009.31$

Taxable Pay:  $2,009.28 - 53.88 = \$1,955.43$

##### FICA withholdings

- Social Security: 6.2% of 1,955.43 = \$121.24
- Medicare: 1.45% of 1,955.43 = \$28.35

##### Insurance deduction:

- 774.38 for 12 months = \$9,292.56
- Per bi-weekly pay period:  $9,292.56 \div 26 = \$357.41$

##### Paystub

Gross Wages	\$2,009.31
FICA – Social Security	- \$121.24
FICA – Medicare	- \$28.35
IRA Contribution	- \$53.88
Insurance Premium	- \$357.41
Net Pay	\$1,448.43

**SOLUTIONS**Question #3

Total Gross Pay – 75 hours @ \$22.45 = \$1,460.25

FICA withholdings

- Social Security – 6.2% of 1,460.25 = \$90.54
- Medicare – 1.45% of 1,460.25 = \$21.17

Insurance deduction – 394.36 divided by 4 pay periods = \$95.59

Paystub

Gross Wages	\$1,460.25
FICA – Social Security	- \$90.54
FICA – Medicare	- \$21.17
Insurance Premium	- \$387.19
Union Dues	- \$30.00
Advance Repayment	- \$75.00
Net Pay	\$856.35

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

[www.facebook.com/groups/bsnsAtlas](http://www.facebook.com/groups/bsnsAtlas)