

Gross Pay vs. Net Pay

Complete the following problems. Remember that gross pay includes your regular salary (hours x pay) plus any overtime salary (OT hours x OT pay). For hourly wage employees, a traditional workweek is 40 hours, and anything more is considered overtime. The traditional overtime pay rate is 1 ½ times the regular pay rate. **Show your work!**

1. Max worked 44 hours last week. His hourly wage is \$10.25. Calculate his gross pay.
 - a. Regular earnings
 - b. Overtime earnings
 - c. Total gross pay

2. Elena worked 48 hours last week. Her hourly wage is \$12.50. Calculate her gross pay.
 - a. Regular earnings
 - b. Overtime earnings
 - c. Total gross pay

3. Jackson worked 45 hours last week. His hourly wage is \$15.75. Calculate each of the following deductions to find his net pay.
 - a. Regular earnings
 - b. Overtime earnings
 - c. Total gross pay
 - d. Federal Income Tax withheld at a rate of 10%
 - e. Social Security Tax withheld at a rate of 6.2%
 - f. Medicare Tax withheld at a rate of 1.45%
 - g. Health Insurance Premiums of \$20/week
 - h. Union Dues of \$5/week
 - i. Total deductions
 - j. Total weekly net pay

4. Rachele worked 200 hours last month. Her hourly wage is \$25.00. Calculate each of the following deductions to find her net pay.

- a. Regular earnings
- b. Overtime earnings
- c. Total gross pay
- d. Federal Income Tax withheld at a rate of 10%
- e. Social Security Tax withheld at a rate of 6.2%
- f. Medicare Tax withheld at a rate of 1.45%
- g. Health Insurance Premiums of \$120/month
- h. Roth IRA contribution of \$100/month
- i. Total deductions
- j. Total monthly net pay

5. Jake makes \$13/hour and his friend Nicole makes \$16/hour. Come their gross earnings from last month and determine who made more money.

	<u>Jake</u>	<u>Nicole</u>
Week 1	40 hours	36 hours
Week 2	46 hours	42 hours
Week 3	44 hours	60 hours
Week 4	50 hours	40 hours

a. Regular earnings

b. Overtime earnings

c. Total gross pay