

Name: _____

Employee Pay & Benefits Review Worksheet

1. Explain the difference between Gross Pay and Net Pay.
 - **Gross Pay is the amount you make before any deductions. Net Pay is the amount you take home.**
2. What is the difference between Hourly Wages and Salary?
 - **Hourly you get paid for the hours you work, including over time. Salary you get paid the same amount no matter if you have worked over/under 40 hours.**
3. What is the standard Overtime Rate? If someone's regular rate of pay was \$10 per hour, what would his/her OT rate be?
 - **Standard Overtime rate is 1 ½ of their hourly rate**
 - **$10 + (10 * \frac{1}{2}) = 15$ or $10 * 1 \frac{1}{2} = 15$**
4. Jennifer earns \$12 per hour and gets OT at the standard rate for any hours over 40 that she works in a week. Last week she worked 42 hours. What would her Total Gross Pay be? Explain your answer.
 - **$12 * 40 = 480$**
 - **$18 * 2 = 36$**
 - **$480 + 36 = \$516$**
5. What are the 3 main deductions taken from each employee's check?
 - **Federal Tax, State Tax, & Social Security Tax**
6. Person A claims 2 allowances on his W-4 form, while Person B claims 1 allowance. Assuming they are both single and make the same amount of money, whose check will be larger? Why?
 - **Person A, the person with more allowances has less withheld from their paycheck**
7. Explain the following benefits:
 - a. Profit Sharing: **Allows employees to receive a portion of the company's profits at the end of the year.**
 - b. Paid Vacations/Holidays: **Set amount of time off per year**
 - c. Employee Services (give an example, too): **Extras given to employees to improve the company's morale & working conditions. Examples: Employee discounts, Social and recreational programs, Free parking, Tuition reimbursement for college courses, Wellness programs, Counseling for employee problems**
 - d. Sick Pay: **Paid time off for illness**
 - e. Leaves of Absence: **Temporary leave from a job. It is unpaid but gives you job security.**
 - f. Insurance: **Coverage for health, life, dental, and vision**
 - g. Bonuses: **Incentive pay based on quality of work done**
 - h. Stock Options: **Employees right to buy a set number of shares in a company**
 - i. Pensions: **Plan for retirement – funded by the employer**
 - j. Savings Plans: **Employee puts money in for retirement and an employer can contribute but is not required to.**
 - k. Travel Expenses: **Pay for expense occurred while traveling.**

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8. Explain how “flextime” works. Be sure to include in your answer, a brief description of “core time period”. Also include an explanation of what a “compressed workweek” is.
 - **Flex time is when the employee gets to pick their arrival and departure time but you must work 8 hours in a day. You also have to be present during “core time period” which is when all employees must be at work.**
 - **Compressed work week is when you work longer days for a shorter work. Example is 4 days a week but for 10 hours a day.**
9. How does “job rotation” work?
 - **Employees “rotate” from one task to another to give a more variety in their work. It also provides employees more training.**
10. What is “job sharing”?
 - **2 people share one full-time position**
11. Explain:
 - a. Permanent Part-time: **Only work 16-25 hours in a week**
 - b. Telecommuting: **Work from home or on the road. Stay in contact with your boss/company by e-mail, fax, phone, video, etc.**
12. Define Collective Bargaining & explain the positive and negative features of collective bargaining
 - **Is the process of negotiating a work contract for union member; terms of the contract set working conditions, wages, overtime rates, hours of work, and benefits.**
 - **Positive – everyone is on the same playing field and gets the same benefits**
 - **Negatives – in negotiations things are given up on both sides and sometimes the employees loose important things**
13. Name and define the 3 types of labor unions
 - **Craft – practice that craft or trade**
 - **Industrial – • Skilled/Semi-Skilled/Unskilled employees in a particular industry or group of industries**
 - **Public Employee Union – • Municipal, county, state, or federal employees may organize; organized like craft except you do not hire outside officers.**

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Calculating Net Pay

Directions: For each of the examples below calculate their net pay.

1. Sandra earns \$13.50 per hour and works 32 hours

- a. What is her Gross Pay:

$$13.50 * 32 = \$432$$

- b. Calculate her deductions

Deduction	% Of Gross Pay	Amount Taken Out
Federal Tax	15%	64.80
Social Security	6.2%	26.78
Medicare Tax	1.45%	6.26
Pension	3%	12.96
Total		110.80

- c. What is her Net Pay?

$$432 - 110.80 = \$ 321.20$$

2. Madison earns \$11.50 per hour and works 25 hours

- a. What is her Gross Pay:

$$11.50 * 25 = 287.50$$

- b. Calculate her deductions

Deduction	% Of Gross Pay	Amount Taken Out
Federal Tax	15%	43.13
Social Security	6.2%	17.83
Medicare Tax	1.45%	4.17
Pension	3%	8.63
Total		73.76

- c. What is her Net Pay?

$$287.50 - 73.76 = 213.74$$

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3. David earns \$12.00 per hour and works 36 hours

a. What is his Gross Pay:

$$12 * 36 = 432$$

b. Calculate his deductions

Deduction	% Of Gross Pay	Amount Taken Out
Federal Tax	15%	64.80
Social Security	6.2%	26.78
Medicare Tax	1.45%	6.26
Pension	3%	12.96
Total		110.80

c. What is his Net Pay?

$$432 - 110.80 = 321.20$$

4. Ted earns \$11.25 per hour and works 39 hours

a. What is his Gross Pay:

$$11.25 * 39 = 438.75$$

b. Calculate his deductions

Deduction	% Of Gross Pay	Amount Taken Out
Federal Tax	15%	65.81
Social Security	6.2%	27.20
Medicare Tax	1.45%	6.36
Pension	3%	13.16
Total		112.53

c. What is his Net Pay?

$$438.75 - 112.53 = 326.22$$