

Payroll Review

Directions:

Answer the following questions.

- Fill out the application below as if you were filling out an employee earnings record for yourself:

InnoTech Corporation Employee Earnings Record For the Month of January	
Name:	Address:
Social Security:	Telephone:
Date of Birth:	Date Employment Ended:
Date Employed:	Exemptions:
Sex (Male or Female):	Single/Married:

2015 Period Ending	Total Hours	Gross Earnings				Deductions				Payment	
		Regular	Overtime	Total	Cumulative	FICA	Fed Income Tax	State Income Tax	Total	Net Amount	Check No.
1/7	42	480.00	36.00	516.00	516.00	39.47	43.00	10.32	92.79	423.21	974
1/14	44	480.00	72.00	552.00	1,068.00	42.22	49.00	11.04	102.26	449.74	1028
1/21	43	480.00	54.00	534.00	1,602.00	40.85	46.00	10.68	97.53	436.47	1102
1/28	42	480.00	36.00	516.00	2,118.00	39.47	43.00	10.32	92.79	423.21	1134

- Compute the following totals of each column based on the information in the above information:

- Regular: _____
- Overtime: _____
- Total: _____

- FICA: _____
- Federal Income Tax: _____
- State Income Tax: _____
- Total: _____

- January Total Net Pay: _____

Payroll Review

3. Henry's Handbags sold \$8,000,000 worth of handbags last year. The cost of the handbags was \$5,000,000. Compute the gross earnings for Henry's Handbags.

Gross Earnings: _____

4. Cynthia has job which pays \$7,000 per month. Cynthia only brings home \$5,950 due to payroll taxes weekly. What is Cynthia's gross earnings for the year?

Gross Earnings: _____

5. Compute the net pay for the scenario below.

Gross Pay		\$6,000.00
Taxes Withheld		
Social Security Tax	6.2%	
Medicare Tax	1.45%	
Federal Tax		-\$350.00
State Tax		-\$150.00
Deductions		
Retirement Account	4.00%	
Health Insurance		<u>-300.00</u>
Net Pay		\$

6. Employees at Coastal Flex earned a total of \$300,000 for the month of December. Coastal Flex withholds the following on December 31:
- State income tax: \$9,000
 - Federal income tax: \$20,000
 - FICA taxes: \$22,950

Journalize and compute the wages and salaries expense for an employee at Coastal Flex.

<u>Date</u>	<u>Account Name</u>	<u>Debit</u>	<u>Credit</u>

Payroll Review

7. Coastal Flex has the following payroll tax expenses for the month of December, as of December 31:
- FICA taxes: \$22,950
 - State unemployment tax: \$54,000
 - Federal unemployment tax: \$18,000

Journalize and compute the payroll tax expense for Coastal Flex.

<u>Date</u>	<u>Account Name</u>	<u>Debit</u>	<u>Credit</u>