

## FM Chapter 5 Review 2

**For this assignment use tax tables on page 323 if needed.**

1. (TB:31) In 2016, Adam worked at an electronics store, earning \$10.25 an hour, and was paid time and a half for any overtime. In the first week in January, he worked 48 hours. His federal tax withheld was 15% and his state tax withheld was 4%. Social Security and Medicare taxes were also withheld. Determine his net pay for that week.
2. (SM5-4:1) Ali has worked at a fashion magazine for the last 5 years. Her current annual salary is \$64,000. When she was hired, she was told that she had four days of paid vacation time. For each year that she worked at the magazine, she would gain another three days of paid vacation time to a maximum of 26 days. How many paid vacation days does she now get at the end of 5 years of employment?
3. (SM5-4:2b) Ina's employer offers a sliding paid vacation. When she started work, she was given two paid days of vacation. For each 4-month period she stays at the job, her vacation is increased by one day. How much vacation time will she have after working for this employer for 6.5 years?
4. (SM5-4:4b) When Alton started his current job, his employer told him that he had one day of paid vacation. Then the next year (start of year 1), he would have three vacation days. After that, each year his number of vacation days would triple up to 27 days of paid vacation. How many vacation days will he have earned after 2 years?
5. In 2018, Yolanda paid \$4,495 in Social Security tax. If the Social Security tax rate was 6.2% to the maximum income of \$94,200 that year, what was Yolanda's eligible Social Security income?
6. (SM5-4:5) Martha's employee benefits include family health-care coverage. She contributes 18% of the cost. Martha gets paid biweekly and \$108.00 is taken out of each paycheck for family health-care coverage. How much does her employer contribute annually for the family coverage?
7. (SM5-4:7a) At Chocolatier Incorporated, your salary determines the cost of health care. If an employee makes less than \$65,000 per year, they pay \$52 per month for coverage. If an employee makes at least \$65,000 per year, the coverage is \$122 per month. Graham makes \$62,800 per year. His yearly insurance contribution is 10% of the total cost. How much does his employer contribute?

8. Donald pays \$58 semimonthly for health insurance which is 16% of the total cost. His employer pays the rest. What is the total yearly cost to the nearest dollar of his health insurance?
9. Tamitha contributes 18% of the cost of her individual health care. This is a \$54 deduction from each of her weekly paychecks. What is the total cost of her health care coverage for the year?
10. (SM5-4:9) Liz works at Food For Thought magazine. Her employer offers her a pension. Liz's employer uses a formula to calculate the pension. Retiring employees receive 2.1% of their average salary over the last 4 years of employment for every year worked. Liz is planning on retiring at the end of this year after, 20 years of employment. Her salaries for the last 4 years are \$66,000; \$66,000; \$73,000; and \$75,000. Calculate Liz's annual pension.
11. (SM5-4:10) As part of their employee benefits, all workers at Light and Power Electric Company receive a pension that is calculated by multiplying the number of years worked times 1.875% of the average of their three highest years' salaries. Mia has worked for LPEC for 30 years and is retiring. Her highest salaries were \$92,000, \$94,800, and \$96,250. Calculate Mia's pension.

**For Questions 12 through 15:** In 2010, Jerry earned \$54,000. Use the table on page 323 to answer the following questions.

12. How much did he pay for Medicare that year?
13. What was Jerry's eligible Social Security Income?
14. How much did he pay for Social Security that year?
15. How much did he pay for FICA that year?

**For Questions 16 through 19:** In 2010, Jamal earned \$120,000. Use the table on page 323 to answer the following questions.

16. How much did he pay for Medicare that year?
17. What was his eligible Social Security Income?
18. How much did he pay for Social Security that year?
19. How much did he pay for FICA that year?