Thank you for a great first class and the opportunity to get to know you.



**VIDEO RECORDINGS**

In a separate email, I will send all enrolled students a LINK to the video and audio recording of the class. The LINK may include up to four files, but the video file will be marked in MP4. If you want to view the video in the future, download the files NOW, as the link will stop working in a week.

Future class links are sent to all who attend the live class and those working AYOP (At Your Own Pace) and complete the prior assignment.

**SET ASIDE 2 HOURS FOR THE WEEKLY ASSIGNMENT**

Assignments will take one to two hours a week, and for those attending the live class, please return them via email at least 48 hours before the next class. If you get stuck at any point, email me, and we can schedule a review.

When submitting your work, PLEASE start a new thread and title it with your name and assignment number. i.e. Money & Life Cycles Assignment #1 from Mark Clark.

**WORKING WITH YOUR PEERS ON ASSIGNMENTS**

I encourage students who are enrolled in the LIVE classes to form small groups to work together on an assignment. If you are interested, please email your classmates and PROPOSE when you can meet.

If you get together with others, use ZOOM or a video platform to share your screens. Zoom offers FREE accounts which give up to 45 minutes of meeting time. If you need more than 45 minutes, you can start another session.

**HANDOUTS**

Handouts needed for Assignment #1 are listed below and can be downloaded from the website [www.money101education.com](http://www.money101education.com). Click on the Curriculum tab, then hover over Taxation Segment and to the right, another dropdown button should bring you to the page Handouts Taxation Segment.

<https://money101education.com/handouts-taxation-segment/>

The handouts below, needed to complete the assignment, are listed in numeric order, although the Assignment may use them differently.

|  |  |
| --- | --- |
| 1.11c | Maria Consuela’s W-2 from Divine Publishing USA |
| 1.12 | Can you calculate Maria’s gross earnings from her W-2 |
| 1.28 | Questions to ask your employer about the company’s retirement program.  |
| 8.25a | EXERCISE – Should Maria delay collecting Social Security?  |

ASSIGNMENT #1 – worksheet from: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| **Find out your “Full Retirement Age” per Social Security regulations** – hint it is based on your birthday – so just google. “What is my full retirement age if I was born in XXXX? | 1. Enter your full retirement age?
2. What DATE is the earliest you can collect social security?
3. At what age does it not make sense to wait any longer start collecting social security
 |
| **Sign on to the Social Security website** and establish an account for yourself: <https://www.ssa.gov/myaccount/>  | 1. Were you able to establish an account or see your previously established account?
2. Are the earnings records accurate?
3. Can you determine how much you would get in today’s dollars IF you were of full retirement age based on your earnings history?
 |
| As a challenge, complete Exercise 8.25a  | 1. How long does Maria have to live, and to make it worthwhile to delay collecting social security from age 67 to 70?
 |
| **Review handout** 1.11c Maria’s W-2 | 1. What is the dollar difference between her Box 1 and Box 3 or 5 income?
2. What can be the reason that, Box 1 and Box 3 are different?
3. What is her taxable income on which she will have to pay FEDERAL tax?
4. What is her taxable income on which she will have to pay Social Security tax?
5. What is her taxable income on which she will have to pay Medicare tax?
6. Is Maria’s GROSS INCOME on the W-2 form?
 |
| EXTRA CREDIT Completed Exercise 1.12  | 1. Can you calculate Maria’s gross earnings from her W-2?
 |
| **Read handout** 1.28 Questions to ask your employer about the company’s retirement program. **New Vocabulary** * Filing Status: Single, Married filing Separately, Married filing Jointly, Head of Household
* Pay Frequency: Weekly, Bi-weekly, Semi-monthly, Monthly paychecks
* Compensation Basis: Salaried vs Hourly
* Overtime Eligibility: Exempt employee vs. non-exempt employee
* Gross pay vs. Net Pay
* Withholding Taxes: Social Security Tax, Medicare Tax, Federal, State, and City
* Pre-tax deductions for Retirement plan (401K or 403b), Paid Family Leave, Health Insurance Premiums, Health Savings Account
* Match and Vesting
 | 1. What will be your filing status for this year’s tax return?

**If you have a W-2 job,**1. What is your pay frequency?
2. Are you paid based on a salary or hours worked?
3. Are you an “exempt” employee and thus NOT subject to overtime?
4. What pre-tax deductions does your employer offer?
5. Does your employer offer a retirement savings plan?
6. Does your employer offer a match?
7. What is the formula for their match if they offer one?
8. What is their vesting schedule?
 |

**EMAIL ME this worksheet in a NEW email thread… with your full name on the email. i.e. “ Taxation Assignment #1 - from Mary Smith”**

**Take a deep breath … understanding a paycheck and a W-2 is the FIRST step in preparing your taxes…**