

Money 101

1.11b - ANALYSIS of Maria's W-2 and Calculation of her Net Earnings

ANSWER to exercise 1.11a

Reported on W-2

Line BOX

	Hourly	40	\$ 18.50	\$ 740.00	52	\$	740.00	\$	38,480.00	
	Commission				1	\$	427.00	\$	427.00	
	Bonus				1	\$	500.00	\$	500.00	
	GROSS EARNINGS							\$	39,407.00	basis for effective tax
	Health Premiums paid by Maria				52	\$	35.00	\$	1,820.00	
3 and 5	SOCIAL SECURITY & MEDICARE EARNINGS							\$	37,587.00	
	401K contribution by Maria				0.05	\$	39,407.00	\$	1,970.35	not deductible for SS or Medicare
1, 16, 18	FEDERAL, NYS, NYC TAXABLE WAGES							\$	35,616.65	
	TAX DEDUCTIONS									
				rate			wages		withholding	
4	Social Security			6.20%	\$		37,587.00	\$	2,330.39	
6	Medicare			1.45%	\$		37,587.00	\$	545.01	
2	Federal			10.00%	\$		35,616.65	\$	3,561.67	
17	New York State			6.00%	\$		35,616.65	\$	2,137.00	
19	New York City			4.00%	\$		35,616.65	\$	1,424.67	
12-Code SDI	NYS Disability Insurance			52	\$		0.60	\$	31.20	
12-Code FML	NYS Family Medical Leave Insurance			0.153%	\$		35,616.65	\$	54.49	
	TOTAL OF TAXES WITHHELD							\$	10,084.43	25.6%
	GROSS EARNINGS							\$	39,407.00	100.0%
	401K contribution by Maria			0.05	\$		39,407.00	\$	1,970.35	5.0%
	Health Premiums paid by Maria			52	\$		35.00	\$	1,820.00	4.6%
	Tax Deductions							\$	10,084.43	25.6%
	NET EARNINGS							\$	25,532.22	64.8%

ADDITIONAL ANALYSIS

12- code D	401K contribution by Maria				\$	1,970.35
	401K contribution by her employer			50%	\$	985.18
	TOTAL 401 K contribution				\$	2,955.53
	Health Insurance premiums paidby Maria	52	\$	35.00	\$	1,820.00
	Health Insurance premiums paid by employer	52	\$	85.00	\$	4,420.00
12- code DD	Total - Health Insurance Premiums	52	\$	120.00	\$	6,240.00

updated 2-15-2025

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