

A woman with braided hair is smiling and looking at a smartphone. The background is blurred, showing other people in a social setting. The overall tone is warm and positive.

A CAREGIVER'S GUIDE TO UNDERSTANDING PAYROLL

YOUR MONEY'S JOURNEY
FROM GROSS TO NET

CONGRATS ON YOUR NEW JOB! WHAT SHOULD YOU KNOW ABOUT PAYROLL?

DO I NEED TO FILL OUT A FORM TO WORK?

On your first day of work, you're going to need to come prepared for the forms you'll be filling out. For the [Form I-9](#), you'll need to prove both your identity and that you're authorized to work – usually you can cover your bases with a U.S. passport. Otherwise, you can establish identity with a driver's license, school ID card, U.S. military ID card, or voter registration card. To prove you're authorized to work, you can use your social security card, birth certificate, or U.S. citizen ID card.

You'll also have to fill out a **W-4** when you become an employee. This form helps you determine how much tax money will be taken out of your paycheck. For many part-time jobs, you'll be considered an employee and will need to submit the Form W-4.

HOW MUCH WILL I GET PAID, AND WHAT'S MINIMUM WAGE?

Minimum wage is the legal minimum dollar amount the government has decided you must be paid per hour. The federal government names a minimum wage – currently, it is \$7.25 per hour – but many states have instituted their own higher minimum wages. In any case, you'll be paid the higher option between the two. Since every state is different, and they can change yearly, it's important to know the minimum wage in your state, and you can check that by going to <https://www.dol.gov/whd/minwage/america.htm>.

You can get paid at 1.5 times your normal rate per hour for working **overtime** hours. In addition, state laws may grant you additional premium pay benefits.

HOW OFTEN WILL I GET PAID?

You might notice that you don't always get paid at the same time as your friends in other jobs. That's because your employer may pay you once a week, every other week, once a month or twice a month. That decision will be based on the applicable laws for your state, as individual states have different laws regarding pay frequency. For the most part, you'll likely be paid either weekly (on the same day every week) or biweekly (on the same day every other week).

WHY DOES MY PAYCHECK SAY “PAY PERIOD” AND “PERIOD ENDING DATE”?

Here's where it gets a little confusing. Let's say you get paid every week on Friday. There's a good chance that the paycheck you receive is not for the week leading up to that Friday, but the week before. As an example, if you were to receive a paycheck on Friday September 14, it will represent the hours you worked the week of September 1 – September 7. September 7 is therefore the **period ending date**. You'll receive your paycheck for your September 8 – 14 hours (period ending on September 14) on Friday September 21. Be sure to ask your administrator when your pay period ends, so you don't get confused.

You can often choose to receive your paycheck via direct deposit – so your company wires it right into your bank account. All you generally need for your company to set up direct deposit is a copy of a voided check for the account you want the money deposited in. And if you don't have a checkbook, you can get one for your account from your bank. You'll also need to fill out a form giving your employer permission to pay you via direct deposit.

If you set up direct deposit, you will still receive what's called a voucher that breaks down the paycheck (more on that on page five!) and confirms that the money was deposited into the correct account.

ANATOMY OF A PAYCHECK

So, what is all of that cash coming out of your paycheck before you get hold of it? Well, first and foremost, it's taxes. Your employer is required to take federal, state, and often local taxes out of your paycheck and send them off to the government so that they can pay for things like infrastructure, schools, defense, and everything else we need to keep this country going. What you fill out on **Form W-4**, along with how often you are paid, will determine what comes out of your paycheck.

But the taxes don't stop there. Every caregiver will also pay **social security** and **Medicare tax** with every paycheck. Unlike withholding, these taxes have flat rates, so everyone pays the same amount, and social security maxes out once you reach a particular wage base, which is subject to change each year. Social security taxes go toward paying out monthly benefits to retirees and the disabled, while Medicare funds the federal Medicare program, which provides health insurance coverage to older Americans.

Just be aware, your employer is also paying payroll taxes. Employers must pay an equal amount of social security and Medicare. On top of that, they must also pay **federal and state unemployment**, which is used to help people who are out of work and looking for a job.

After taxes, you may not be finished yet. You may see either involuntary or voluntary deductions coming out of your paychecks. Involuntary deductions are for things like **child support** or a **garnishment** for a tax levy, and you have no choice in the matter. However, voluntary deductions are 100% up to you and, depending on what your employer offers, can be a great perk. Voluntary deductions are for things like your company's **health or dental insurance plan, 401(k), or dependent care program**. Many of these deductions are also pre-tax, which means your tax is calculated on your pay after these are taken out. Basically - less taxes!

Empl#	SS#	Department	Clock No.	Pay Type	Personal Earning Statement			
12345	XXX-XX-1234	C.N.A.		Hourly	Period Begins: 12/10/2023 Period Ends: 12/16/2023 Pay Date: 12/22/2023 Voucher No.: 123			
CCCC-001					SUSIE EXAMPLE 123 Example Street Williamsburg, VA 23185			
Demonstration Care								
456 Demonstration Street								
Williamsburg, VA 23185								
(123) 456-7890								
Earnings								
	Memo	Date	Time In	Time Out	Rate	Hours	Amount	
Hourly	Initial Visit	12/10/2023	10:00:00 AM	07:01:00 PM	20.00	9.00	180.00	
Hourly	Second Visit	12/11/2023	09:28:00 AM	06:28:00 PM	25.00	9.00	225.00	
Hourly	Final Visit	12/12/2023	09:33:00 AM	06:34:00 PM	25.00	9.00	225.00	
Hourly		12/13/2023	09:16:00 AM	06:16:00 PM	20.00	9.00	180.00	
Hourly		12/14/2023	10:01:34 AM	02:01:00 PM	20.00	4.00	80.00	
Hourly-OT		12/15/2023	09:02:32 AM	02:03:00 PM	20.00	5.00	100.00	
	OT Premium						55.00	
					Total Current Hours	45.00	Total Current Amount	1,045.00
Old Hourly	Final Visit	11/24/2023	08:00:00 AM	12:02:00 PM	20.00	4.00	80.00	
Old Hourly-OT		11/25/2023	08:02:15 AM	11:02:00 AM	20.00	3.00	60.00	
	OT Premium						30.00	
					Prior Hours	7.00	Total Prior Amount	170.00
					Total YTD Hours	2,160.00	Total YTD Amount	54,721.00
Total Hours		52.00	Total Amount		1,215.00			
Taxes					Important Notes			
	Exemptions	Additional	Amount	Year-To-Date	For wage disclosure purposes: OT rate based on the weighted average of regular rates for period ending 12/16/2023 is \$33.00			
Social Security			75.33	3,392.70				
Medicare			17.62	793.34				
Federal Withholding	Single		118.46	6,295.68				
VA State Withholding	Single		56.06	1,795.80				
Total Taxes			267.47	12,277.52				

LET'S BREAK IT DOWN

GROSS PAY

All the money you've made during this pay period – either a fraction of your annual salary, or the number of hours you've worked times your hourly pay rate plus overtime.

MINUS

TAXES

SOCIAL SECURITY

Helps pay for benefits for retired and disabled Americans

MEDICARE

Helps pay for healthcare and insurance for older Americans

FEDERAL INCOME TAX

Rate decided by federal government; helps pay for defense, government programs

STATE/LOCAL INCOME TAX

Rates decided by state/local governments; helps pay for schools, infrastructure

MINUS

DEDUCTIONS

VOLUNTARY

Deductions you choose to take out; examples include health insurance, life insurance, and retirement

INVOLUNTARY

Deductions mandated by law; examples include child support, student loans, debts for federal taxes

EQUALS

NET PAY

TAKE HOME PAY





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