## **Table of Contents**

Preface	vii	CHAPTER 2	
CHAPTER 1		<b>Calculating Employee Pay</b>	
<b>Processing a New Employee</b>	1	Pay Periods and Workweeks	41
The Employee Paystub Summary of Tax Rates The Fair Labor Standards Act The Federal Minimum Wage Calculating Overtime Wages Child Labor Restrictions Circular E and Form SS-4 Employer Identification Number Hiring an Employee The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 Form SS-5 Form W-4 Additional Hiring Considerations The Immigration Reform and Control Act of 1986 Form I-9 General Payroll Topics Workers' Compensation Insurance Payroll Certifications	3 4 5 5 6 7 8 9 14 14 14 16 19 20 27 27 27	Pay Periods and Workweeks Pay Period Options Defining the Workweek Wage Determination Issues The Equal Pay Act of 1963 (EPA) State Minimum Wages Time Cards Salaries and Wages Calculating Overtime Pay Converting to Hourly Rates Weekly Wage Conversions Annual Salary Conversions Commissions, Bonuses, and Incentive Plans Paying Commissions Awarding Bonuses Offering Incentive Plans Alternative Pay Considerations Self-Employment Income Tipped Employees Utilizing Piecework Systems Payroll Register Self-Assessment	41 42 44 44 48 48 50 55 55 56 56 59 60 63
Utilizing a Payroll Service Employee Earnings Record Self-Assessment Practice Set A Practice Set B Continuing Payroll Problem Critical Thinking	28 28 30 32 34 37 38	Practice Set A Practice Set B Continuing Payroll Problem Critical Thinking	7( 75 80 81

CHAPTER 3		CHAPTER 5	
Federal and State		Federal and State	
Income Tax Withholding	83	Unemployment Taxes	145
Deductions from Employee Earnings	85	Federal Unemployment Tax (FUTA)	147
Mandatory Deductions	85	Credit Reduction States	147
Voluntary Deductions	86	Making FUTA Tax Payments	148
Distinguishing Between Gross Pay and Taxable Pay	86	State Unemployment Tax (SUTA)	151
Federal Income Tax Withholding	89	SUTA Experience Rating	151
The Wage-Bracket Method	89	Matching Social Security and Medicare Tax	153
The Percentage Method	92	Accounting for Payroll (Employer Portion)	155
Other Federal Income Tax Withholding Considerations	95	Nonemployee Compensation	156
Deceased and Terminated Employees	95	Independent Contractors	157
Changing the W-4 Form	95	Form W-9	157
State Income Tax Withholding	97	Form 1099-MISC	159
Local Income Tax Withholding	97	Form 1096	160
The Payroll Register	99	The Self-Employment Contributions Act (SECA)	164
Self-Assessment	103	Statutory Nonemployees	165
Practice Set A	105	Self-Assessment	166
Practice Set B	109	Practice Set A	168
Continuing Payroll Problem	113	Practice Set B	171
Critical Thinking	114	Continuing Payroll Problem	175
Circles initiality	111	Critical Thinking	176
CHAPTER 4		Citical immung	110
EICA Tayor and Voluntary		CHAPTER 6	
FICA Taxes and Voluntary		Pariodic and Voor-End Payroll	ı
Deductions	115	Periodic and Year-End Payroll	
Social Security Tax	117	Reporting	177
The Social Security Wage Base	117	Accounting for Payroll (Periodic Entries)	179
Taxable Earnings for Social Security Tax	118	Submitting Unemployment Tax Payments	180
Calculating Social Security Tax	118	Voluntary Withholding Payments	181
Medicare Tax	121	Form 941 (Employer's Quarterly Federal Tax Return)	182
Additional Medicare Tax	121	The Electronic Federal Tax Payment System	183
Additional Withholding Tax Considerations	123	Form 941 Rounding Considerations	190
State Disability Insurance	123	Quarterly State Payroll Forms	190
Wage Garnishments	124	Form 940 (Employer's Annual Federal Unemployment	100
Contributing to Retirement Plans	124	Tax Return)	194
Cafeteria Plans	126	Form W-2 (Wage and Tax Statement)	202
Dependent Care Benefits	126	Form W-3 (Transmittal of Wage and Tax Statements)	208
Charitable Contributions, Union Dues, and	120	Self-Assessment	212
Insurance Premiums	127	Practice Set A	214
Completing the Payroll Register	128	Practice Set B	217
Accounting for Payroll (Employee Portion)	132	Continuing Payroll Problem	221
Self-Assessment	134	Critical Thinking	223
Practice Set A	136	Critical Hilling	220
Practice Set B	139		
Continuing Payroll Problem	143		
Critical Thinking	143		
CITCICAL HILLIKHING	TIT		

## **CHAPTER 7**

Comprehensive Projects— Paper-Based Versions	225
One-Month Project Three-Month Project	226 229
CHAPTER 8 Comprehensive Projects— QuickBooks Versions	233
One-Month Project Three-Month Project	234 237
2017 Federal Tax Tables	241
APPENDIX B Annual Federal Payroll Tax Calendar	265
State Tax Department Websites	269
State Tax/Revenue Department Addresses	271
Self-Assessment Answer Keys Glossary Index	275 279 283