## **Computing Gross and Net Pay**

Complete the following problems. Gross pay includes regular hours times regular pay, plus overtime hours times overtime pay. The overtime pay rate is  $1\frac{1}{2}$  times the regular rate of pay. Deductions—both required and voluntary—are subtracted from gross pay to compute net pay.

1. Maureen worked 48 hour last week. Her hourly rate is \$8.00. What was her gross pay (regular pay plus overtime pay)?

2. Alayna worked 44 hours last week. Her hourly rate is \$5.50. What was her gross pay?

3. Tang worked 52 hours last week. His hourly rate is \$7.80. What was his gross pay?

4. Frederic worked 46 hours last week. His hourly rate is \$5.50. What was his gross pay?

5. Janice works for a salary of \$2,396 per month. She has federal income tax withheld at the rate of 15%, Social Security tax at the rate of 6.2%, Medicare tax at the rate of 1.45%, and health insurance premiums of \$95 per month. What is her net pay?

6. Duc works for a salary of \$2,200 per month. His computed hourly rate of pay is \$13.75 per hour. Although Duc earns a salary, he sometimes qualifies for overtime pay for special situations. For overtime hours, he earns 1½ times his regular computed hourly rate. Last month, he worked for 14 paid overtime hours. He has federal income tax withheld at the rate of 15%, Social Security tax at the rate of 6.2%, Medicare tax at the rate of 1.45%, and health insurance premiums of \$85 per month. What was his net pay?

7. Zurab works for a salary of \$1,986 per month. He has federal income tax withheld at the rate of 15%, Social Security tax at the rate of 6.2%, Medicare tax at the rate of 1.45%, and health insurance premiums of \$48 per month. Zurab also contributes to a savings plan. Each month, 2% of his gross pay is placed in the plan. Zurab pays income tax on this money. What is his net pay?

8. Kerry worked 46 hours last week. His hourly rate is \$6.60. He has the following deductions taken from his pay: federal income tax at the rate of 10%, Social Security tax at the rate of 6.2%, Medicare tax at the rate of 1.45%, health insurance premiums of \$12.20, and union dues of \$9.50. What was his net pay?

9. John worked 43 hours last week; his hourly rate is \$9.00. He has the following deductions taken from his pay: Social Security tax at the rate of 6.2%, Medicare tax at the rate of 1.45%, health insurance premiums of \$15.00, and 401(k) contributions of 5% of gross pay. John also has federal income tax withheld at the rate of 10%. Federal taxes do not apply to the 401(k) contribution. What was his net pay?