		s	ces		Earnings									
Empl. #	Employee Name	Marital Status	No. of Allowances	Regular	Overtime	Total	Federal Income Tax	Soc. Sec. Tax	Medicare Tax	Health Insurance	Other	Total	Net Pay	Check No.
2	Aranda, Susan A.	М	2	968.00		968.00	38.00	60.02	14.04	55.00		167.06	80.94	482
5	Drew, Paul S.	s	1	550.00		550.00	32.00	34.10	7.98	38.00		112.08	437.92	483
1	Kellogg, Janice P.	М	1	1760.00	150.00	1910.00	187.00	118.42	27.70	58.00		391.12	1518.88	484
	TOTALS			3278.00	150.00	3428.00	2,57.00	212.54	49.72	151.00		670.26	2037.74	

At the end of the pay period, businesses need to journalize the information in the payroll register. First, total all the columns...

Then record the total amounts in the cash payments journal. The transaction description would look like this:

April 15 Paid cash for monthly payroll, \$2,037.74 (total salary expense, \$3,278.00, less deductions: employee income tax, \$257.00, social security tax, \$212.54, Medicare tax, \$49.72, health insurance premiums, \$151.00). Check 1354. (hint: this uses 5 lines in the cash payments journal)

# CASH PAYMENTS JOURNAL

CASH P	CASH PAYMENTS JOURNAL PAGE															1							
2024 Date		Account Title	Ck. No.	Post Ref.	Debit			eneral Credit			_	Accounts Payable DR			Purchases Discount CR				Cash CR				
April	15	Salary Expense	1354		3	27	8 00	0												2	0 3	7	74
		Employee Income Tax Payable							2	5	7 0	00											
		Social Security Tax Payable							14	21.	2 5	54											
		Medicare Tax Payable								4	9 1	72											
		Health Insurance Premiums Payable							Ì	5	1 0	00											

Note: On special journals you do NOT indent when using multiple lines since debits and credits can appear on the same line.

## **PROBLEM** (from Payroll Accounting Competition)

### Job 1: Journalize Payroll Transactions in Cash Payments Journal

Journalize the following payroll transactions in the **<u>Cash Payments Journal</u>** provided.

May 15. Paid cash for two-week payroll, \$7,517.76 (total payroll \$9,453.24), less deductions for employee income tax, \$526.00; social security tax \$586.10; Medicare tax, \$138.38; health insurance premiums, \$485.00; U.S. Savings Bonds, \$200.00. Check No. 625. (note the "U.S. Savings Bonds" is handled the same way as the other deductions: add the word "Payable" at the end)

### CASH PAYMENTS JOURNAL

PAGE 1

	Ck.	Post			Ge	neral		Accounts				Purchases				Cash					
Date	Account Title	No.	Ref.	Debit				Credit				Payable DR							CR		
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If a business does not use a cash payments journal, they will record this transaction in the general journal. You'll use the same debits and credits, but remember to list the debit first (salary expense) and then the credits (cash and payables). Indent credits in the general journal!

#### Job 2: Journalize Payroll Transactions in General Journal

Journalize the following payroll transactions in the **General Journal** provided.

May 15. Paid cash for two-week payroll, \$7,517.76 (total payroll \$9,453.24), less deductions for employee income tax, \$526.00; social security tax \$586.10; Medicare tax, \$138.38; health insurance premiums, \$485.00; U.S. Savings Bonds, \$200.00. Check No. 625.

GENERAL JOURNAL PAGE 1													
Date	Account Title	Doc. No.	Post. Ref.		Deb	oit		Credit					