Definitions

Hourly pay – When an employee is paid an hourly rate for each hour that they work.

Salary pay - Typically a set amount of money make annually(for the year) regardless of how many hours worked.

Dependent – Someone you can claim on your taxes. Typically a child but can also be a relative. You can click on the following link to see who qualifies as a dependent.

Gross Pay – Amount of income made before taxes are taken out.

Overtime - When an hourly employee works over 40 hours for the week each hour worked over 40 hours the employee will receive 1.5 times his normal rate.

Types of pay schedules –

   Weekly – paid once a week.

   Bi-weekly – paid every two weeks.

   Semi-monthly – paid twice a month.

   Monthly – paid once a month.

Name:_____

Calculating Gross Pay Examples

Instructions: Answer questions below. When submitting answers into google forms do not use a dollar sign or commas and be sure to round to the nearest hundredths place. Example: 2790.13

1) Zach is single and has no dependents. He is currently working at Dairy Queen and is making $9.50 an hour. He is currently getting paid <u>weekly</u> and this week he worked 31 hours. What will Zach's <u>gross</u> income be?

   To calculate Zach's gross pay we will just need to take his hourly pay rate and multiply it to the amount of hours that he worked. So we will take 9.50 X 31 = 294.50. Zach's gross pay will be $294.50. Please ensure that you have read the directions on how to submit your answer into google forms.

2) Maria is married but has no children. She just got a job working as a youth advisor and will be making $9.75 an hour. She is being paid <u>weekly</u>. This week she worked 39 hours. What will Maria's <u>gross</u> income be?

   To calculate Maria's gross pay we will just need to take her hourly pay rate and multiply to the amount of hours that she worked for the week. So we will take 9.75 X 39 = 380.25. Maria's gross pay will be $380.25.

3) Carlos is working construction and gets paid by the hour <u>bi-weekly</u>. He is currently receiving $26 an hour. The first week of the pay period he worked a total of 28 hours and the second week he worked 36 hours. Carlos is married but he does not have any dependents. Determine Carlos's <u>gross</u> pay.

In order to find the bi-weekly rate for Carlos we need to remember that bi-weekly means he gets paid every two weeks. Since Carlos did not work any overtime hours any week we can just simply add the hours of the two weeks he worked to find the total number of hours. 28 + 36 =64. So, we will take his pay rate of 26 and multiply it to the amount of hours he worked for the two weeks. $26 X 64 = $1664.00. Carlos's gross pay on his pay check will be $1664.00

4) Ashley is currently working at the local supermarket in town. She is not married and does not have any dependents. She gets paid <u>bi-weekly</u> and will receive $11.50 an hour. Last week she worked 40 hours and this week she worked 27 hours. What will be Ashley's <u>gross</u> pay?

Once again as in the previous example she gets paid bi-weekly. Since she did not work any overtime hours we can just add the amount of hours she worked for the two weeks. 40 + 27 = 67. So, $11.50 X 67 = $770.50. Therefore, Ashley's gross pay on her next paycheck will be $770.50.

5) Samantha is working as a receptionist for the local hotel. She is currently being paid at a rate of $13.25 an hour and gets paid <u>weekly</u>. This week she worked 47 hours. Samantha is single and has no dependents. What will be Samantha's <u>gross</u> pay?

In this case Samantha worked over 40 hours so we will need to pay her overtime. 47-40 = 7. We can see that Samantha worked 7 hours of overtime. Let's first find her overtime rate. In order to do that we will need to take her hourly rate and multiply it by 1.5. $13.25 X 1.5 = $19.88 after rounding. Therefore, $19.88 is her overtime rate pay. We now need to take her regular pay rate and multiply it to 40 as she worked 40 hours at the regular pay rate. 13.25 X 40 = $530. Now take her overtime pay rate and multiply it to the amount of overtime hours. $19.88 X 7 = $139.16. Last step is to take what she made at her regular rate and add it to what she made in her overtime rate. $530 + $139.16 = $669.16. Therefore, Samantha's gross pay will be $669.16.

6) Jason is working for the oil company. He is making $17.50 an hour and is being paid <u>bi-weekly</u>. Jason is married but has no dependents. Last week he worked 48 hours and this week he worked 55 hours. What will be Jason's <u>gross</u> pay?

We can see in this example that Jason is paid bi-weekly so we will need to look at both weeks. In the first week he worked 48 hours. Since 48 is greater than 40 we will need to take 48 – 40 = 8 to see that he worked 8 hours of overtime that week. The following week he worked overtime again. So 55 – 40 = 15. We can see that in this paycheck he will have worked 8 + 15 = 23 hours of overtime. He worked 40 + 40 = 80 hours at his regular pay rate. We will now need to take his regular pay rate and multiply to the number of hours at the regular rate. 80 X $17.50 = $1400. Now let's find his overtime pay rate by taking $17.50 X 1.5 = $26.25. So we can see his overtime rate is $26.25. Let's take that rate and multiply is to the number of overtime hours. $26.25 X 23 = $603.25. Lastly, to find his gross pay we will need to take what he made for his regular paid hours and add it to the overtime pay. $1400 + $603.25. Therefore, Jason's gross pay will be $2003.75.

7) Andrew is working at the local aquarium as a marine biologist. His annual salary is $98,500 a year. He has just gotten married but has no dependents. He currently gets paid <u>monthly</u>. What will be Andrew's <u>gross</u> pay for each paycheck he receives?

To find Andrew's gross pay we will just need to take his annual salary and divide it by the amount of paychecks he will receive for the year. Since Andrew is getting paid monthly he will receive 12 paychecks for the year as there are 12 months in a year. $98,500/12 = $8208.33 after being rounded. Therefore, Andrew's gross pay is $8208.33.

8) Tara just got a job as a professor at the state college. She will be making an annual salary of $96,300 and will be paid <u>semi-monthly</u>. Tara is currently single and does not have any dependents. Determine Tara's <u>gross</u> pay for each paycheck.

To find Tara's gross pay we will need to take her annual salary and divide it by the amount of paychecks she will receive for the year. Since she is getting paid semi-monthly she will be receiving 24 paychecks. Twice a month times 12 months for the year = 24. $96,300/24 = 4012.50. Therefore, Tara's gross pay will be $4012.50

9) Michael is a surgeon and is currently getting an annual salary of $189,000 a year. He has opted to get his paychecks <u>weekly</u>. Michael is currently single with no dependents. What will be Michael's <u>gross</u> pay for each paycheck?

Once again, to find Michael's gross pay we will take his annual salary and divide it by the amount of paychecks he will receive. Since he is getting paid weekly, he will receive 52 paychecks for 52 weeks in a year. $189,000/52 = $3634.62 after being rounded. Therefore Michael's gross pay is $3634.62.