

Name: _____

Social Security and Medicare Taxes 1

F.I.C.A, the Federal Insurance Contributions Act states that all employers must deduct 6.2 percent of the first \$113,700 of an employee's annual earnings for Social Security taxes and 1.45 percent of all annual earnings for Medicare taxes. In addition, the employer matches the employee's contribution for a total of 15.3 percent.

**Formula for Calculating
Social Security and Medicare Taxes**

$$\text{Gross Pay} \times \text{Tax Rate} = \text{Tax Withheld}$$

Directions: Read each question carefully and write your answer on the line provided.

- Randy Bumgarner earns a gross monthly salary of \$3,600.00. To date, he has earned a total of \$14,400.00. What is this month's Social Security tax withholding? _____ What is this month's Medicare tax withholding? _____
- Bill Mitchum is paid a monthly salary of \$7,200.00. What is his Social Security tax withholding for January? _____ What is his Medicare tax withholding for January? _____

What is his Social Security tax withholding for June? _____ What is his Medicare tax withholding for June? _____

What is his Social Security tax withholding for December? _____ What is his Medicare tax withholding for December? _____
- Carl Pearlman is paid a monthly salary of \$9,600.00. What is his Social Security tax withholding for January? _____ What is his Medicare tax withholding for January? _____

What is his Social Security tax withholding for April? _____ What is his Medicare tax withholding for April? _____

What is his Social Security tax withholding for December? _____ What is his Medicare tax withholding for December? _____
- Louise Gaines is paid a monthly salary of \$12,000.00. What is her Social Security tax withholding for January? _____ What is her Medicare tax withholding for January? _____

What is her Social Security tax withholding for September? _____ What is her Medicare tax withholding for September? _____

What is her Social Security tax withholding for December? _____ What is her Medicare tax withholding for December? _____
- Pete Jolly earns a gross monthly salary of \$4,100.00. To date, he has earned a total of \$45,100.00. What is this month's Social Security tax withholding? _____ What is this month's Medicare tax withholding? _____

