

Career Central



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What would you do with one million dollars?

If you get a job that pays \$30,000 per year and work for 40 years (without a raise),

you will earn \$1,200,000!

If you average \$40,000 per year and work for 40 years,

you will earn \$1,600,000!



Draw for your career!



What is Your Career?

- Why do some careers make more money than others?
- What effect does supply and demand have on salary?
- Do careers that require a higher education have a higher salary?



Figures taken from the 2013 U.S. Bureau of Labor Statistics

Occupation	People Employed	Mean Hourly Wage	Annual Salary
Retail Sales Worker	8,500,690	\$11.39	\$23,690
Office Clerk	2,832,010	\$14.42	\$29,990
Registered Nurse	2,661,890	\$33.13	\$68,910
Truck Driver	1,585,300	\$19.68	\$40,940
General and Operations Manager	1,973,700	\$55.81	\$116,090
Prosthodontist	290	\$61.69	\$128,310
Mathematical Technician	1,080	\$28.97	\$60,260
Astronomer	1,750	\$53.09	\$110,440
Model	5,470	\$12.79	\$26,600
Forest Fire Inspector	1,730	\$19.54	\$40,640

Go to

www.salary.com

- Type in your career choice and the zip code of your school in the first box
- Click search
- A line graph should appear to show the average median salary of your chosen profession
- Print out this graph



Write a Check for Your Bi-weekly Salary

- Take the average amount of your salary and divide that number by 24
- For example: \$40,000 divided by 24 equals \$1,666
- Write a check for \$1,666
- See check example

Writing a Check

- Know how much money is in your account
- Always write with a pen
- Make sure the date is correct
- Always sign the checks
- Keep them in a safe place



The time has come to collect your income taxes!

- What types of taxes does the government withhold from a paycheck?
- How much money is withheld?
- Where does the tax money go?



Gross Pay vs. Net Pay

- **Gross Pay:** The total amount that an employee earns before taxes and other deductions
- **Net pay or take-home pay:** The amount the employee receives after deductions



Gross Pay vs. Net Pay

The difference between gross pay and net pay:

- Social Security taxes withheld
- Medicare taxes withheld
- Federal and State income tax withheld
- Other amounts withheld

Payroll, Federal and State Taxes

- Employees complete Form W-4
- Employers use Form W-4 to determine how much income tax to withhold
- Employers withhold payroll taxes (Medicare / Social Security), state and federal income tax from employees' pay
- Employers send the amounts withheld to the federal and state governments



W-4 Forms

Employers use Form W-4 to determine how much federal income tax to withhold.

The amount of federal income tax withholding depends on

- The employee's marital status
- The number of withholding allowances claimed by the employee
- Any additional amount of tax the employee wants to withhold
- Any exemptions from withholding that the employee claims

W-2 Form

- View Form
- Form W-2 is used to report your wages for the year and the taxes withheld from your income

Social Security

The Social Security tax is also called the FICA (Federal Insurance Contributions Act) tax

- Retirement benefits
- Benefits for the dependents of retired workers
- Benefits for the disabled and their dependents



Medicare tax

The Medicare tax is used to provide medical benefits for certain individuals when they qualify to draw social security

- Workers
- Retired workers
- Spouses of workers and retired workers



Federal income taxes finance

- National defense, veterans and foreign affairs
- Social programs
- Physical, human and community development
- Law enforcement
- Interest on the national debt



State income tax finance

- Education
- Highways
- Parks
- State and Local Government
- Other public services



Gross Pay vs. Net Pay

Figure out what your net pay will be at:

<http://www.paycheckcity.com/calculator/salary/>

Write another check for your net pay



Taxes

- Figure your taxes based on your chosen career
- Remember this is just an average amount and is being used to help you gain a better understanding of taxes



The more money you make the higher your tax bracket

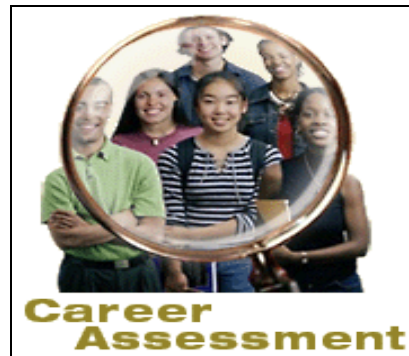
Federal income tax examples:

- If you make \$19,000 per year, approximately 18% will be withheld for taxes
- If you make \$40,000 per year, approximately 25% will be withheld for taxes
- If you make \$100,000 per year, approximately 30% will be withheld for taxes



Remember

- Pick a career that you will truly enjoy
- Your career choice will have an effect on your lifestyle
- Make good choices now and you will have more options later



Questions?