



# #9675

## HOW PEOPLE ARE PAID: UNDERSTANDING SALARIES AND BENEFITS

LEARNING SEED COMPANY, 1994

Grade Levels: 9-13+

19 minutes

1 Instructional Graphic Enclosed

### DESCRIPTION

Looks at a typical paycheck stub and explains payroll deductions that are usually taken, such as FICA, health insurance, and others. Covers the difference between hourly and salaried employees, vacation and sick days, profit sharing, retirement/pension plans, and other benefits.

### ACADEMIC STANDARDS

#### **Subject Area: Civics – What are the Basic Values and Principles of American Democracy?**

- ★ Standard: Understands the roles of voluntarism and organized groups in American social and political life
  - Benchmark: Knows the historical and contemporary role of various organized groups in local, state, and national politics (e.g., unions; professional organizations; religious, charitable, service, and civic groups) (See Instructional Goal #1.)

#### **Subject Area: Civics – What are the roles of the citizen in American Democracy?**

- ★ Standard: Understands issues regarding personal, political, and economic rights
  - Benchmark: Understands basic contemporary issues involving personal, political, and economic rights (e.g., personal rights issues such as dress codes, curfews, sexual harassment; political rights issues such as hate speech, fair trial, free press; economic rights issues such as welfare, minimum wage, health care, equal pay for equal work) (See Instructional Goal #3.)

#### **Subject Area: Economics**

- ★ Standard: Understands unemployment, income, and income distribution in a market economy
  - Benchmark: Knows the four basic categories of earned income: wages and salaries, rent, interest, and profit (See Instructional Goal #2.)
  - Benchmark: Understands that wages and salary are influenced by forces of supply and demand for labor, as well as an individual's productivity, education, training and skills (See Instructional Goal #4.)

## Subject Area: Life Skills - Life Work

★ Standard: Pursues specific jobs

- Benchmark: Identifies important benefits and procedures of prospective employers (salary, deductions, vacation) (See Instructional Goal #4.)

### INSTRUCTIONAL GOALS

1. To understand the roles of unions in negotiating worker benefits.
2. To introduce methods and types of payment to employees.
3. To explain the law regarding minimum wage and overtime.
4. To understand employee benefits such as raises, cost of living adjustments, medical insurance, paid time off, and retirement plans.
5. To explain the F.I.C.A. deduction and benefits provided by Social Security.

### VOCABULARY

- |   |                                     |
|---|-------------------------------------|
| 1. cafeteria plan                             | 9. 401 K Plans                      |
| 2. commission                                 | 10. life insurance                  |
| 3. Cost of Living Adjustment (COLA)           | 11. medical payment plan            |
| 4. dependents                                 | 12. merit raise                     |
| 5. educational assistance plans               | 13. salary schedule                 |
| 6. Family Leave Act                           | 14. profit sharing                  |
| 7. federal income tax                         | 15. take home pay                   |
| 8. FICA (Federal Insurance Contributions Act) | 16. worker's compensation insurance |

### BEFORE SHOWING

1. Describe the ideal future job regarding salaries and benefits.
2. Survey the local community to determine if dreams regarding salaries and benefits are realistic.

### AFTER SHOWING

#### ► Discussion Items and Questions

1. What are the laws regarding minimum wage and overtime?
2. What is the difference between hourly and salaried employees?
3. How do incentives, commissions, advances, royalties, and residuals work?
4. What is the role of unions in negotiating worker benefits?
5. What is the F.I.C.A. deduction? What benefits are provided by Social Security?
6. How is take-home pay computed?
7. What is a medical payment plan?
8. What is the difference between the following kinds of paid time off: funeral leave, holidays, maternity, paternity and adoption leaves, military leave, paid sick leave, and vacation leave?
9. What is the Family Medical Leave Act? How does it relate to paid time off?
10. What is the value of retirement plans? How does an employee become vested in a company?

## ► Applications and Activities

1. Read a sample check stub. (See Instructional Graphic.)
2. Role-play interviews with prospective employers. Discuss job qualifications, job duties, salary, and benefits.
  - a. Scott is a 22-year-old business major looking for his first professional position. He has had health insurance through his parents but that is ending. He is interested in evening graduate school.
  - b. Paul is a 27-year-old electrician. His back continually bothers him as a result of a work-related accident. He is married to Barbara, a self-employed artist; they hope to have children.
  - c. Shari is a 21-year-old cosmetologist with no paid vacation and no paid benefits. She is married to Bert, an aircraft technician, who receives free travel benefits from a major airline.
  - d. Nancy is a 45-year-old administrative assistant looking for work after being out of the workforce raising children. Her divorce leaves her with no health care and only Social Security for retirement.
3. Revise the earlier descriptions of the ideal job. Include job qualifications, job duties, salary, and benefits. (See Before Showing #1.)

## RELATED RESOURCES



- [Building Your Money Pyramid: Financial Planning #3218](#)
- [Taxes - Give & Take #3304](#)



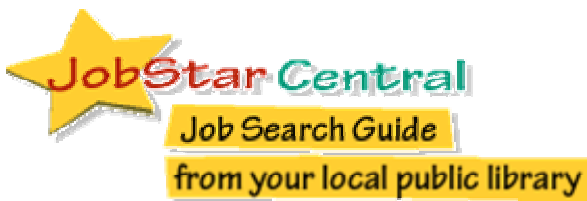
### World Wide Web

The following Web sites complement the contents of this guide; they were selected by professionals who have experience in teaching deaf and hard of hearing students. Every effort was made to select accurate, educationally relevant, and "kid safe" sites. However, teachers should preview them before use. The U.S. Department of Education, the National Association of the Deaf, and the Captioned Media Program do not endorse the sites and are not responsible for their content.

- **SALARY.COM**

[http://www.salary.com/salary/layoutscripts/sall\\_display.asp](http://www.salary.com/salary/layoutscripts/sall_display.asp)

Offers the latest information on compensation and benefits. Features an interactive way to estimate salaries in various U.S regions. Includes additional information and interactive tools regarding benefits, advice, self-tests, and career education.



- **JOB STAR CENTRAL**

<http://jobstar.org/index.cfm>

This site helps in all aspects of preparation for work with specific links devoted to resumes, career guides, and salary information. Also has job banks with nationwide and worldwide information and links.



*Fast Find:*

- **THE JOB AND CAREER INFORMATION CENTER OF THE CARNEGIE LIBRARY OF PITTSBURGH**

<http://www.carnegielibrary.org/locations/jcec/>

The career information section provides specific information and a list of related links regarding salary. This searchable site also includes an extensive bibliography and further information regarding career education.

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## **INSTRUCTIONAL GRAPHICS**

- **READ A PAYCHECK STUB**

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## Captioned Media Program



### Read a Paycheck Stub

**Directions:** This is the **Statement of Earnings and Deductions** for a lifeguard at the beginning of the summer. Answer the following questions about her earnings.

Grove Athletic Club			STATEMENT OF EARNINGS & DEDUCTIONS DETACH AND RETAIN FOR YOUR RECORDS		
PERIOD	06/24/93 - 07/07/93	EMPLOYEE NAME	Christine Schran	EMPLOYEE NUMBER	005067
HOURS WORKED	EARNINGS	SCHEDULED DEDUCTIONS	OTHER DEDUCTIONS	TAX DEDUCTIONS	YEAR TO DATE
REGULAR 34.50	REGULAR 179.40	NO. 1	NO. 1	FED W/H	EARNINGS 349.70
OVERTIME	OVERTIME	NO. 2	NO. 2	FICA 13.72	FED W/H .00
DOUBLE TIME	DOUBLE TIME	NO. 3	NO. 3	STATE W/H 4.23	FICA 26.75
	OTHER	EWAP	NO. 4	LOCAL W/H	STATE W/H 8.19
		SECTION 125	NO. 5		LOCAL W/H .00
		NO. 6			
TOTAL 34.50	TOTAL 179.40	TOTAL .00	TOTAL .00	TOTAL 17.95	CHECK NO. 012428 <b>NET PAY</b> 161.45

1. What dates of work does the statement cover?
2. How many hours did the lifeguard work?
3. How much money did she earn in this pay period?
4. How many deductions did she claim?
5. How much money did the employer withhold from her check?
6. How much money has the guard earned thus far this year?
7. How much money did the guard take home in this pay period?