Understanding Your Paycheck

Why is the money you receive in your paycheck less than your total earnings? Learn where that money goes.

What you MAKE and what you TAKE

<table>
<thead>
<tr>
<th>GROSS PAY</th>
<th>NET PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of regular pay, overtime and any other reimbursements you receive during a pay period. Could include hours worked at an hourly rate, or annual salary divided by number of pay periods per year.</td>
<td>The amount you receive after your employer takes out withholdings and deductions.</td>
</tr>
</tbody>
</table>

Payments made for you by your employer

MANDATORY WITHHOLDINGS
- Federal income taxes
- Social Security
- Medicare
- State and local taxes
- Court-required withholding

VOLUNTARY DEDUCTIONS
- Medical insurance
- Retirement savings/401K
- Uniform fees
- Parking fees

Hint: Learn how to read your paystub - the form you get each time you get paid - to better understand your withholdings and deductions.

Put your paycheck to work with our resources: Paycheck.KCFed.org