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 withholding factors
- Voluntary deductions
MANDATORY WITHHOLDINGS | VOLUNTARY DEDUCTIONS

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

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