week two

where does the money go?

understanding deductions

milk XP

Name	Date	Grade

a. vocabulary worksheet

Directions: Match the vocabulary word to its definition. To take it a step further, include examples of each term in the example column.

gross pay | federal income tax | withholding | social security | paycheck deductions | net pay | total paycheck deductions | pay period | state tax | pay stub

term	definition	example
	Money taken out of your paycheck before you get paid.	
	The total money you earned before paycheck deductions.	
	The money you actually take home after paycheck deductions.	
	Money collected by the U.S. government to fund public services.	
	A program funded by the US workforce that helps provide retirementincome for when you're older.	
	Tax collected by some state governments to fund state services.	
	A document that shows your earnings and deductions.	
	The amount of income tax withheld from your paycheck.	
	The time span one paycheck usually covers (weekly, bi-weekly, etc.).	
	The sum of all paycheck deductions.	

b. deduction matching

Instructions: Match each pay term to the best description of what it means or what it helps fund. Write the correct number in the "Match" column.

item (A–E)	match (1–5)	descriptions (1–5)
A. Federal income tax		1. Money you earn before any paycheck deductions are taken out.
B. Social Security		2. Money you take home after paycheck deductions are subtracted.
C. State tax		3. Supports national services and programs (run by the U.S. federal government).
D. Gross pay		4. Helps pay for retirement when you're older and support benefits for eligible workers and families.
E. Net pay		5. Supports services and programs run by your state (examples: state roads, state parks, some public services).

c. extension

In one sentence, explain why gross pay and net pay are different.

key formulas

net pay formula:

gross pay − total paycheck deductions = net pay

total paycheck deductions:

federal income tax + social security + state tax



essential question

Why is take-home pay less than gross pay, and how can you calculate net pay from a pay stub?

d. pay stub calculation

Instructions: Use the information in each scenario to calculate total paycheck deductions and net pay. Show your work in the last column. Scenario A reflects the coffee shop pay stub from the episode.

scenario	gross pay	federal income tax	social security	state tax	total paycheck deductions	net pay	show your work
A (Episode)	$300	$20	$20	$20			
B	$520	$52	$32	$26			
C	$800	$80	$50	$40			

e. compare scenarios

1. Which scenario (A or C) has higher gross pay? How do you know?	
2. Which scenario (A or C) has higher total paycheck deductions? Why might that happen when pay increases?	
3. Which scenario (A or C) has higher net pay? Explain using numbers from the table.	
4. In one sentence, explain why higher gross pay does not always mean "double" the take-home pay.	

f. written response

1. Choose one scenario from Part D. In two to three sentences, explain: (1) what the gross pay is, (2) what at least two paycheck deductions are for, and (3) what the net pay is and why it matters.
2. In 3–5 sentences, explain what paycheck deductions are and why they matter. Include at least two vocabulary terms from the worksheet.



extra credit questions

1. Which vitamin in milk helps support your immune system? **a.** Vitamin D **b.** Vitamin Q **c.** Vitamin LOL — answer:

2. True or false: Milk contains protein. True / False — answer:

3. Which mineral found in milk is important for strong bones? **a.** Calcium **b.** Glitter **c.** Aluminum — answer:



Teacher reference. Keep or remove before student distribution.

a. vocabulary worksheet

term	definition	example
paycheck deductions	Money taken out of your paycheck before you get paid.	Taxes and other withholdings.
gross pay	The total money you earned before paycheck deductions.	You earned $300 for a shift.
net pay	The money you actually take home after paycheck deductions.	**$300 gross − $60 deductions = $240 net.**
federal income tax	Money collected by the U.S. government to fund public services.	Roads, parks, emergency services.
social security	A program funded by the US workforce that helps provide retirement income for when you're older.	Money set aside for when you're older.
state tax	Tax collected by some state governments to fund state services.	Public schools, healthcare programs, infrastructure.
pay stub	A document that shows your earnings and deductions.	A breakdown of gross pay, taxes, and net pay.
withholding	The amount of income tax withheld from your paycheck.	Taxes withheld each paycheck.
pay period	The time span one paycheck usually covers (weekly, bi-weekly, etc.).	A two-week pay period.
total paycheck deductions	The sum of all paycheck deductions.	Federal income tax + Social Security + state income tax + other deductions

b. deduction matching

A. Federal income tax	**3**
B. Social Security	**4**
C. State tax	**5**
D. Gross pay	**1**
E. Net pay	**2**

e. compare scenarios

1. Higher gross pay?	**C**
2. Higher total paycheck deductions?	**C**
3. Higher net pay?	**C**
4. "Double" take-home pay	**Answers vary**
c. extension · f. written response	**Answers vary**

d. pay stub calculation

scenario	gross pay	federal income tax	social security	state tax	total paycheck deductions	net pay
A (Episode)	$300	$20	$20	$20	**$60**	**$240**
B	$520	$52	$32	$26	**$110**	**$410**
C	$800	$80	$50	$40	**$170**	**$630**

assessment rubric

Vocabulary: clear understanding of vocabulary	**5 pts**
Calculations accurate	**4 pts**
Comparison reasoning sound	**3 pts**
Written explanation clear and uses vocabulary	**5 pts**

extra credit

1. a. Vitamin D
2. True
3. a. Calcium