

UNDERSTANDING PAYROLL OUTLINE

Always encourage your students to take notes. Also, remember to leave yourself 5 minutes before the end of class to go over the post-test and collect them!

➤ **Making a connection to students | 2 minutes**

1. Introduce yourself: Name, employment or volunteer work, and why this topic is important.

➤ **Begin class: | 3 minutes**

Before opening the book write the title **Payroll** on the board.

1. Ask students who is currently employed or looking for a job. Next, ask them what is usually the first step involved in getting a job.
2. After two or three responses, write “**job applications**” on the board.

➤ **Instruct students to open their books on page 1**

I. **Step One: Providing Personal Information When Applying for a Job | Page 1 | 5 minutes**

1. Have a student read paragraph 1 aloud.
2. Next, ask students to follow along as you read aloud the bullets under “information...to provide on an application.” Emphasize that they should use their **full legal name**.
3. Have a volunteer read aloud 2nd. paragraph about background/credit checks. Then, ask if anyone has authorized a background check. If so, ask for what type of job.
 - If not, provide an example from the book on page 1 or a personal story.
4. Ask students if they have any questions. Make sure they understand the differences between personal and professional references or a background check.

Potential Job Scams | Page 2 | 5 minutes

1. Write **Scam** on the board. Have students repeat the word and then ask them to define it.
2. After a couple of responses, briefly define the word scam and read the line under potential job scams.
3. Choose 3 examples in the “Scams vs. Reality” chart and have students read aloud both the alerts and the reality.
4. **ALERT: Inform students that in their books on the employment activity on page 2, the first option should read NOT Scam.**
5. You read the questions aloud in the employment activity on the bottom of page 2.
6. Ask for a couple of students to share their answers and explain their responses.

II. **Step two: Understanding Employment Documents | Page 3**

I got the job, now what? | Page 3 | 3 minutes

1. Ask students if they just got a new job and want to make sure they submitted all the required paperwork and want to learn about their benefits where could they get answers.
2. If students mention **Human Resources (HR)** or **Manager** write the answers on the board. If not, still write these terms on the board and have volunteers read aloud 2nd paragraph on page 3.



A. What is an I-9? | Pages 3-6| 6 minutes

Before discussing the I-9 form, mention that there are different forms that employees need to complete immediately after they have been offered a job.

1. Write on the board the 3 documents they will learn in class: **I-9, W-4, and W-9**. Next, ask students have ever completed one of these. (See image 1.)
2. Now, you read 3A and as you do so, write on the board this brief purpose next to the **I-9**: “proves you are authorized to work in the U.S.” (See image 1)

I-9 = proves you are authorize to work in the US

W-4 =

W-9 =

3. Emphasize that is against the law for an employer to discriminate against citizenship status or national origin.
4. Summarize compliance section at the bottom of page 3 and top of page 4.
5. Walk students through the I-9 example provided on pages 3-5 and highlight key points:
 - List of acceptable forms of identity and work authorization proof: Have students individually identify the documents they may use given their unique status. No need to share aloud.
 - Section I: Reiterate that they or someone on their behalf completes this section. Then, show students the four options in the box “**I attest**” and then turn to page # 5 and ask them to identify which document the example employee used.
 - Section II: Explain that the employer completes this section.
6. Ask students if they have any questions about the I-9.

➤ **Instruct students to turn to page 7**

B. What is a W-4? | Page 6| 3 minutes

1. Ask if someone has ever completed a **W-4** and/or knows what this is for.
2. Ask for a volunteer to read aloud the paragraph on the top of page 6. Write on the board, next to W-4: “for Income taxes.” **Emphasize the 2nd sentence. This is a post course question.**
3. Summarize bullet points under required information.
4. Make sure students understand the term **dependents**. We will discuss **income tax** in a later section. Keep going.

C. Independent Contractor W-9 form and additional documents. | Pages 6-7 | 5 minutes

1. Briefly explain W-9 form on the bottom of page 6.
2. On the board, next to **W-9**, write: “to pay your own taxes if self-employed.”
3. Mention other additional documents listed on page 7. Section D explains that not every employer offers benefits. They will need to contact **HR**.

III. Step Three: Understanding Your Payment Options. | Pages 7- 11 | 25 minutes

On this section, you will discuss key concepts, as you review them, write them on the board.

A. Salary versus Hourly Wages

1. Write **Salary vs. Hourly Wages** on the board. Ask a student to define wage and if no responses give a brief definition found on page # 7. For example, ask what the minimum wage is in Florida.
2. Next, ask students if they know the differences between salary and hourly. After 2-3 responses have a student read lines 1 and 2 on page 7.

Reading



Reading



Summarize

Reading



Types of Hourly Employees:

3. Explain that there are different types of hourly employees. To highlight some of the bullets under **part-time and full-time** employees on page 7 draw a quick chart.

PT	FT
* average less than 35 hrs * Typically no benefits	* average more than 35 hrs * May qualify for benefits

4. Share with the class a scenario. *Your friend Ismael is excited because he will start working at a local hospital between 25 to 30 hours a week.* Ask the class if he has a part-time or a full-time job.

Getting all of your entitled pay

5. Write the words **overtime pay** and ask for a volunteer to read aloud letter 3A on page 8. Emphasize that overtime pay is after 40 hours a week. ***This is a post course question.***
6. Write the words **wage theft**. Ask students to repeat the phrase after you and if they know what this means. After 2-3 responses, have a student read aloud 3C on page 8.
7. Bring students attention to the table on the bottom of page 8 and emphasize that as employees they can make a complaint if they ever experience wage theft.
8. Have students turn to page 9 and together with the students complete the Overtime Activity.
9. Ask for volunteers to share their responses. Answer Key: Q1. **NO**, Q2. **22.50/hr**.
10. Next, explain the different examples of pay periods shown in the table on page 9 by reading the 1st sentence aloud for each period.

Activity



➤ **Have students turn to page 10**

How do I get paid?

1. Write on the board the 3 most common ways a person can receive pay.
 - **Paper check.** Have a student read this paragraph aloud.
 - **Payroll debit cards.** You read aloud the definition and listed fees. Next, bring attention to “federal law mandates” and read the payroll options paragraph aloud and encourage students to read the rest at home.
 - **Direct deposit.** Have a student read the direct deposit section. After reading, reiterate the important note. Make sure students understand **voided checks**.
2. Ask students, who are employed, which of these payroll options they receive or have received in the past.

IV. Steps Four: Understanding Pay Stubs | Pages 11-15 | 15 minutes

A. What is a pay stub?

1. Ask students if they know what a pay stub is. After a couple of responses, have students turn to page 11 and read the first two paragraphs. Then, you summarize the third paragraph.

B. Gross versus Net Income

2. Ask for volunteers to read aloud bullet points on page # 12.

Reading



Reading



3. In the pay stub example on p. 12, point out the numbered boxes. Point out and explain year to date gross and net income. Ask students what seems to be the pay period. (Weekly).
4. Have student partner and give them 2 minutes to complete the Pay Stub Activity on the bottom of page 13.
5. Have students share their answers and make sure everyone has the correct answers.

Answer Keys: 1) 35/hr, 2) Weekly, 3) Yes, 3a) 8 hours, 3b) 52.50 4)1, 364.27, 5) 7,291.35

D. Keep your pay stub.

6. Sumarize why people should keep their stubs.

E. Why are there deductions?

7. Have a volunteer read aloud the first sentence about the federal law.
8. You read aloud line # 1 and explain the image of the dollar and how our federal income taxes are distributed.
9. Have students read aloud the bullets under **medicare taxes and social security**.
10. Turn back to page # 13 and have students identify the deductions and the year to date amounts.
11. **State taxes.** Explain that Florida is one of the 7 states that does not require state taxes. If students want to know the other 6 states, have them research them on their phones or computers and share it with the class.

V. Step Five: Understanding Personal Income Taxes | Pages 15- 16 | 15 minutes

1. Ask the class if they know what a personal income tax is and if they have ever filed an income tax return. If so, ask for a volunteer to briefly share his/her experience.
2. Read aloud section A. Income Taxes
3. Turn to page 16 and view W-2 example and write **Tax Refund** on the board and read definition aloud.
4. Next, explain to students that you will be playing a game called "True or False." you will read each statement aloud and students will have to decide if the statement is true or false. (This activity is not in the book).
 - Income taxes are usually filed at the end of the year **(F)**
 - The amount you owe will depend on: how much money you made, marital status, and number of dependents. **(T)**
 - Your I-9 form should show how much money you earned the previous year. **(F)**
 - People can get a tax credit for money spent on higher education. **(T)**
 - It is possible to get overpayment back from the government **(T)**
5. Summarize **Self Employed taxes** on page 16.
6. **Earned interest.** Viewing the image of the 1099 INT document, explain that most financial institutions will mail 1099 INTs if \$ 10.00 or more is acrued during the year. These funds must be reported as income on their tax return.
7. **Tax preparation help.** Summarize the vita program. However call their attention the website and phone number.

Now the class is almost finished. Have the students turn to the last page of the book and complete the Post Test Survey. Read the questions aloud and read through the answers. When the students are finished have them tear off the sheet and hand it in to you. Then place them and the sign in sheet into the class folder.

Activity



Reading



Conversation Starter



Summarize

