

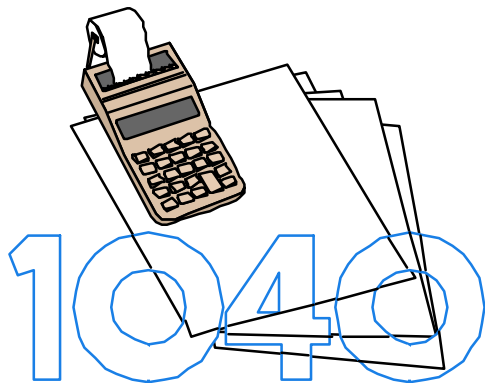
# Real World Math Skills



## A Simulated Math Unit

Nancy Wilkinson

**Lesson 10**  
**The Income Tax Form (W-2)**



**Objective:** Students will figure their W-2 form.

**Skills:** Decimals

**Materials:** Worksheet 10  
Completed Worksheet 2  
Completed Worksheet 1

**Directions:**

*Yea, you've worked very hard and earned a nice living. Now, you have to report to the government how much you make and pay taxes on what you earned. Doesn't seem fair? Remember that nice library that you check books from or the highway you drove down to get to the National Park you camped in? All of those things and much more are supported with your tax dollars. At the end of January your W-2 form is sent to you. It informs the government how much money you made during the previous year. Use the worksheet below to figure out your W-2 form. To figure your W-2 form you will need the paycheck worksheet (lesson 2) and lesson 1 worksheet.*

- 1) Your **gross salary** is what you make. Look at lesson 1 and write down your gross annual salary (lesson 1, problem 12). This is what you make before all of the paycheck deductions.
- 2) Your W-2 form also contains a square telling you how much you deducted for **social security**. Look at your paycheck worksheet (Lesson 2, problem 2) and multiply the social security deduction by 12 (for 12 months). This is how much you paid to FICA for the year.
- 3) Another detail on the W-2 form is how much taxes you paid. Find the **state tax** line (Lesson 2, problem 4) and multiply it by 12. Write this down.
- 4) The W-2 form shows how much **federal tax** you paid as well. Multiply your federal tax amount (Lesson 2, line 3) from your paycheck worksheet by 12. Write this down.

- 5) If you have a work retirement account, this is tax deductible. Multiply your **work retirement plan** (lesson 2, line 6) by 12.
  
- 6) If you have your own **annuity**, it is also tax deductible. Multiply your annuity (lesson 2, line 8) and by 12.
  
- 7) You do not have to pay taxes on your annuity until you retire. To find the amount of taxed income, subtract your annuity line 6 from your gross salary (lesson 10, line 1). This is your **adjusted gross pay**.

Now you are ready to fill out your taxes. Before you begin, here's what an actual W-2 Statement might look like. You can fill in all of the information from the worksheet into the statement below.

a Control number		22222		Void	For Official Use Only ► OMB No. 1545-0008	
b Employer identification number (EIN)				1 Wages, tips, other compensation	2 Federal income tax withheld	
c Employer's name, address, and ZIP code				3 Social security wages	4 Social security tax withheld	
				5 Medicare wages and tips	6 Medicare tax withheld	
				7 Social security tips	8 Allocated tips	
d Employee's social security number				9 Advance EIC payment	10 Dependent care benefits	
e Employee's first name and initial		Last name		11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code				13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>
				14 Other		12b
					12c	
					12d	
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
						20 Locality name

Form **W-2** Wage and Tax Statement

2005

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