**Budget Notes**

**Gross Income**

* the total amount of money one earns
* **Ex. $6.15 an hour**
	+ Multiplied by 40 hrs. per week\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ Multiplied by 52 weeks per year\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ Divided by 12 months per year\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ Equals = Gross Monthly Income \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Pre- tax deduction** – Any money that is taken out of your gross pay before you pay taxes. These deductions are benefits paid by your employer.

**Income tax** – Money taken from your gross monthly income by the government

**Tax**

* **Federal Income Tax (9%)**
* $1066.00 \* .09 = \_\_\_\_\_\_\_\_\_\_\_\_\_\_
* **FICA – Social Security and Medicare (7.65%)**
	+ $1066.00 \* .0765 = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* **State Tax (7%)**
	+ $1066.00 \* .07 = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* **Net income** – the total amount of money you make after taxes. From the amount you will pay for rent, food, transportation, etc.

**What would your net monthly income be in this example?**