



an example of paycheck deductions

a single person who claims one exemption would have this money deducted from his or her paycheck:

Federal Income Tax (FIT)

- For those earning under about \$24,600 per year, the tax rate is approximately 15% of gross earnings. Between \$24,600 and about \$60,000, the tax rate jumps to 28%. Above \$60,000 the tax rate is 31%, 36%, or 39.6%.

Federal Insurance Compensation Act (FICA), the official name for Social Security

- The tax rate is 6.2%, up to a maximum tax of about \$4,100 for Social Security. The tax rate is 1.45% for Medicare on all wages earned.

State Income Tax (SIT)

- The tax rate ranges from 0% to 9.3%, depending on 1) your state and income, and 2) where you live.

State Disability Insurance (SDI)

- The tax rate is 1%, up to a maximum tax of about \$320.