

Name _____

Period _____

INCOME WITHHOLDINGS VOCABULARY WORDS

PRIMARY VOCABULARY

1. Income:

2. Taxes:

3. Tax Revenue:

4. Social Security:

5. Medicare:

6. Net income:

7. State Withholding Tax:

8. Federal Withholding Tax:

SUPPLEMENTARY VOCABULARY

9. Income Tax:

10. Internal Revenue Service (IRS):

11. Gross Income:

12. W-4 Form:

13. I-9:

14. W-2 Form:

INCOME WITHHOLDINGS VOCABULARY WORDS KEY

Primary Vocabulary

- 1. Income:** Any money you receive.
- 2. Taxes:** Compulsory charges imposed on citizens by local, state, and federal governments.
- 3. Tax Revenue:** The income of a government from all sources appropriated for the payment of the public expenses.
- 4. Social Security:** Also called FICA (Federal Insurance Contributions Act), provides benefits for employees and their dependents: retirement benefits, benefits for the dependents of retired workers, benefits for the disabled and their dependents.
- 5. Medicare:** Used to provide medical benefits for certain individuals when they reach age 65. Workers, retired workers and the spouses of workers and retired workers are eligible to receive Medicare benefits upon reaching age 65.
- 6. Net income:** ("take home pay"): The amount a person receives when he cashes or deposits his check. It is the remaining amount after deductions are made.
- 7. State Withholding Tax:** The percentage deducted from an individual's paycheck to assist in funding agencies within the state.
- 8. Federal Withholding Tax:** The amount required by law for employers to withhold from earned wages to pay taxes.

SUPPLEMENTARY

VOCABULARY

- 9. Income Tax:** Tax on wages, salaries and self-employed earnings
- 10. Internal Revenue Service (IRS):** A government agency that collects federal income taxes, issues regulations, and enforces tax laws written by the United States Congress
- 11. Gross Income:** The total amount a worker is paid before any required or voluntary deductions are made.
- 12. W-4 Form:** (Employee's Withholding Allowance Certificate) The information provided on this form determines the percentage of gross pay to be withheld for taxes.
- 13. I-9:** (Employment Eligibility Verification) The information gathered in this form is for employers to verify the eligibility of individuals for employment thereby avoiding

hiring undocumented workers or others who are not eligible to work in the United States.

14. W-2 Form: (Wag and Tax Statement) It states the amount of money earned and taxes paid throughout the previous year.