

Problem 10: Tips

Ernie Gilmore is a part-time waiter. The cash tips of \$390 that he received in June were reported on Form 4070, which he submitted to his employer on July 1. During July, he was paid wages of \$525 by the restaurant. OASDI tax rate is 6.2% with a \$93,000 wage base. HI tax rate is 1.45%. Compute:

	OASDI	HI
a) The amount of FICA taxes that the employer should withhold from Gilmore's wages during July.		
b) The amount of the employer's FICA wages and tips during July.		