

Problem 36

Marlene Grady and Pauline Monroe are partners engaged in operating the M&G Doll Shop, which has employed the following persons since the beginning of the year:

V. Hoffman (general office worker)	\$1,700 per month
A. Drugan (saleswoman)	\$15,000 per year
G. Beiter (stock clerk)	\$180 per week
S. Egan (deliveryman)	\$220 per week
B. Lin (cleaning & maintenance, part-time)	\$160 per week

Grady and Monroe are each paid a weekly salary allowance of \$950.

The doll shop is subject to state contributions at a rate of 3.1% for wages not in excess of \$8,100.

Compute each of the following amounts based upon the 41st weekly payroll period of the year.

OASDI tax rate is 6.2% with a \$93,000 wage base. HI tax rate is 1.45%.

(a) Amount of FICA taxes (OASDI & HI) to be withheld from the earnings of each person.

	OASDI	HI
M. Grady	_____	_____
P. Monroe	_____	_____
V. Hoffman	_____	_____
A. Drugan	_____	_____
G. Beiter	_____	_____
S. Egan	_____	_____
B. Lin	_____	_____

(b) Amount of the employer's FICA taxes for the weekly payroll: _____

(c) Amount of state unemployment contributions for the weekly payroll: _____

(d) Amount of the net FUTA tax on the payroll: _____

(e) Total amount of the employer's payroll taxes for the weekly payroll: _____