

The Office - First Paycheck (C0317)

Emily: Hey, Susan. Have you got a sec? I have some questions about my paycheck.

Susan: You bet, Emily. Pull up a chair.

Emily: Well, this is my first paycheck here in the States and there are a few things I don't understand. First off, what is this FICA, and SUI Y tax, and why are there deductions both for Medicare and for my health insurance plan?

Susan: OK, let's start from the top of your pay stub. This number here represents your gross pay.

Emily: Yes, that's easy enough to understand.

Susan: Then here we have a series of deductions. First off are the federal ones. FICA stands for Federal Insurance Contribution Act, or something like that. It's your federal income tax. And then there's Social Security and Medicare, which are both federal programs to help you out after you retire or if you were unable to work.

Emily: All right, I see. So the Medicare isn't actually a health insurance I can use now.

Susan: That's right. Below the federal deductions are the state deductions. There's the state income tax, and then this SUI SDItax you were asking about is paying into an unemployment and disability fund that our state has set up, but you can see it's a pretty small quantity that they take.

Emily: Yeah, I don't mind giving them a dollar fifty for that. So there are two separate income taxes – one at a state level and one at a federal level?

Susan: That's right. Not all states have an income tax. Some use higher property taxes or sales taxes instead.

Emily: I see. All right, well I think everything else I can figure out on my own. The deductions for health insurance and my 401(K) are pretty self-explanatory. Thanks for your help, Susan.

Susan: No problem! All those deductions do add up, and nobody's net pay is as high as they'd like. I can understand why you'd want some explanation.

Emily: Yeah, I guess it's the same in the UK, I just never paid much attention. See you later!

Key Vocabulary

stub	<i>N</i>	for keeping a record of the content of the part filled out and torn away.
federal	<i>A</i>	of or relating to a form of government or a country in which power is divided between one central and several regional governments
income	<i>N</i>	amount of money that you receive
fund	<i>N</i>	a sum of money or other resources whose principal or interest is set aside for a specific objective

self-explanatory	<i>A</i>	needing no explanation, obvious
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Supplementary Vocabulary

basic	<i>A</i>	elementary or simple
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jargon	<i>N</i>	language peculiar to a particular trade, profession, or group
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welfare	<i>N</i>	financial or other assistance to an individual or family from a city, state, or national government
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deposit	<i>V</i>	to place for safekeeping or in trust
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tax	<i>N</i>	a sum of money demanded by a government for its support or for specific facilities or services
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