CHAPTER 19

TAXES, TAXATION, AND RETIREMENT PLANNING

Textbook Questions

P1 - What Would You Do

?? Rather than just wondering about why my money is being withheld I would call an accountant or someone that would have knowledge on taxes and see if they could help me figure out what was happening.

P4 - 19-1 Assessment

1. All individuals need to pay taxes because they use government owned facilities everyday like the roads and the government needs to stay working which means they must pay their employees with taxes.

2. Revenue is another word to say the money earned from a certain venture.

4. Payroll (Help pay for social security programs), Sales (The extra cents per dollar that is added to a price), Excise (a tax that is placed on certain quantities of items like gasoline), Estate (A value on the dead persons wealth), Inheritance (A part that is taken out of each share of the will), Gift (a tax put on a large sum of money that is given, after a certain point), and Federal Income Tax (A share taken out of ones earnings at their job).

P5 - What Would You Do

?? I would look around to see if I have any documents that I may have gotten while at one of these events to prove the legitimacy of my donations and if I cannot find them I would just put down the ones I have documentation for.

P8 - 19-2 Assessment

2. The difference between adjusted gross income and taxable income is that adjusted gross income is over all the main amount of money you have made over the year and taxable income is the amount after exemptions are made to the gross income, telling the government how much they can tax.

3. If you are caught and sentenced you could owe a large fine to the government and possibly spend time in prison.

P11 - What Would You Do

?? I would take my time to recover my leg and rather than lying about my leg hurting I could take some time off from work after the recovery and then go back to work after that.

P17 - 19-3 Assessment

1. in 1965 medicare was added, and the social security act was passed in 1935.

2. Retirement Payments (A payment usually in the form of a stimulus paid to retired citizens), Survivors Payments (Either a one-time large payment of money or monthly payments to a surviving spouse age 60 or older), Disability Payments (A payment usually in the form of a stimulus paid to disabled citizens), Medicare (A social security benefit that covers hospital and medical benefits for people over 65), Unemployment benefits (Money paid out to unemployed workers with just cause for unemployment), and Workers Compensation (Benefits given to individuals who have been injured at work or have gotten an illness from work.).

P19 - What Would You Do

?? I would go to the brown bag lunch and register online to do so because retirement is very important and is even more so important to start it early on in life.

P22 - Job Stress and Workers Compensation

1. It can be difficult for employees to win job stress cases because stress and how one deals with stress is completely subjective to the person and is very difficult prove this stress without solid evidence that it is from the work.

2. Job stress cases have mushroomed in recent years because as life and the world gets more complicated jobs add to these stresses often leading to these cases mushrooming.

P26 - Think Critically

29. Some people dislike paying income taxes because they worked to earn the money, they did yet the government gets to take their own share without question. I feel that it is necessary to keep the government functioning, but It is annoying.

34. Inflation is such a major concern for retired because the amount they are paid while retired won’t scale with inflation ultimately paying them less and possibly having to force them out of retirement to work.