**Description of Items Listed on your Pay Voucher**

The taxes listed on your voucher are normal. With the new regulations, Choice has chosen to show everything that affects your payroll, but some companies may not list these items.

Here is a list of how taxes appear on your check:

* **Gross Earnings** = all earnings from all positions worked in that pay period (pp) before any taxes or deductions.
* **Taxable Gross Earnings** = The total earnings that are subject to all payroll taxes
  + Example: if you put $100 in your 401k account your taxable gross earnings would be $100 less than your Gross Earnings, since 401k deferrals are deducted before taxes are computed. Medical and other insurance coverage costs that the employee pays are also deducted from Gross Earnings which gives you a smaller Taxable Gross.
* **Federal Tax** = The tax required by the federal government and is determined by tax bracket and your W4 exemptions.
* **FICA Tax** = Federal Insurance Contributions Act, or as most know it – Social Security and Medicare taxes. This is 6.2% for retirement benefits and an additional 1.45% for Medicare benefits for a total of $7.65%
* **State of MI** = The tax required by the state of Michigan – MI has a flat withholding rate of 4.25% but this is adjusted by the number of exemptions you choose on your MI W4.
* **Employer PD FUTA** = A tax paid by Choice (employer paid) for you. This tax is not deducted from your pay. The Federal Unemployment Tax Act (FUTA) is paid by Choice in your name and ss# to allow you to collect unemployment funds from the Federal Government should you need.
* **Employer PD Medicare** = Each employee is required to pay Social Security and Medicare tax for retirement and disability benefits of elders. Your employer, Choice, must match these funds penny for penny. So if you pay $1, Choice pays $1 in your name and SS# for you. This is not deducted from your earnings.
* **Employer Tax – Other** = This is a tax paid by Choice on in your name to the Federal Government to re-pay the overages that the State of Michigan borrowed from the Federal Government to cover all the unemployment claims from a few years ago when the economy was poor. This is not deducted from your earnings.
* **Employer Paid Social Security** = Each employee is required to pay Social Security and Medicare tax for retirement and disability benefits of elders. Your employer, Choice, must match these funds penny for penny. So if you pay $1 choice pays $1 in your name and SS# for you. This is not deducted from your earnings.
* **Employer Paid SUTA** = State Unemployment Tax Act (SUTA). This tax is not deducted from your pay. The SUTA Tax is paid by Choice in your name and ss# to allow you to collect unemployment funds from the State of Michigan should you need.
* **NET Pay** = Your NET PAY is your gross income minus your taxes, minus your insurance costs, minus any other fees or loans you may have that are attached to your pay. This is the amount that you actually get deposited into your account or the amount your check is written for. Also considered your take home pay.