

Understanding Your Paycheck Teacher Information

**Note to teacher: The facilitation of this lesson includes clips from the movie "The Pursuit of Happyness." In addition, a blank W-4, 1040EZ and State Tax Form for each participant to complete is suggested. These forms can be downloaded from www.irs.gov/formspubs.*

1. Play the start of chapter 20 from the movie "The Pursuit of Happyness" for approximately four minutes.
 - a. This scene begins with the main character Chris Gardner, played by Will Smith, stating "This part of my life is called paying taxes."
 - b. Discuss with participants the following:
 - i. Why did the government seize the money from Chris's account?
 - ii. Does the government have the right to do this with only the notification of a letter?
 - iii. What suggestions do you have for Chris to correct the situation?
2. Pass out *Understanding Your Paycheck* note taking guide 1.13.1.L1.
3. Instruct students to complete the note taking guide by filling in information learned during the PowerPoint presentation.
4. Present *Understanding Your Paycheck* PowerPoint 1.13.1.G1
 - a. Slide 1: Introduction
 - b. Slide 2: Where Does My Money To?
 - c. Slides 3-8: Paying Employees
 - d. Slides 9: Describe Taxes
 - e. Slide 10-11: Discuss the Form W-4 and how they affect Federal Taxes W-4
 - f. Slide 12: Hand out blank Form W-4s
 - g. Slide 13: Discuss the Form 1-9
 - h. Slides 14-28 Review each part of a paycheck stub
5. Pass out *Understanding Your Paycheck Worksheet* information sheet 1.13.1.F1.
6. Have student's correct their note taking guides using the *Understanding Your Paycheck* information sheet 1.13.1.F1.
7. Use a transparency of *Paycheck Stub 1* 1.13.1.A2 and fill out the parts as a class. For additional practice pass out *Paycheck Stub 2* 1.13.1.A3.
8. Go to the Internal Revenue Service (www.irs.gov)>[Individual](#)>[Students](#)>[Understand](#) Taxes Lesson Plans. This is an internet-based interactive program about taxation. Lesson plans are

available and tax filing simulations that can help complete **#3 Performance Objective A-** Demonstrate how to complete personal state and federal tax forms.

9. As a review, students may play *Where Did All the Earnings Go? (Twister)* Activity 1.13.1.H1.
 - a. This activity is designed to review and discuss all of the concepts covered in the information sheet and PowerPoint presentation.
 - b. To set up and play the activity, review the *Where Did All the Earnings Go? Instructions* 1.13.1.J1.