

## **SOLUTIONS MANUAL: CHAPTER 2 END OF CHAPTER ANSWERS**

### **ANSWERS TO STOP AND CHECK EXERCISES**

#### **What's in the File?**

1. a,b,d,e
2. b
3. d
4. a
5. c
6. Monthly = \$4,333.33  
Semi-monthly = \$2,166.67  
Biweekly= \$2,000  
Weekly - \$1,000

#### **Who Are You?**

1. Student answers will vary. One possible way to prove both identity and employment is a current U.S. passport. Alternatively, a current state-issued driver's license and a social security card will work for the purposes of the I-9.
2. Student answers will vary. Many students may underestimate their estimated exemptions.

#### **Worker Facts**

1. Nonexempt
2. Exempt workers receive a fixed amount of money and generally direct the actions of other employees; nonexempt workers are eligible for overtime, and generally have their work directed by a manager.

3. A beverage distribution driver, full-time life insurance agents for a single life-insurance company, home workers that use furnished materials, traveling salespersons who work on a single employer's behalf.

### **Who Does Which Job?**

Student answers will vary. The answer should reflect a clear separation of duties, cross-training, rotation of tasks, and security protocols.

### **Internal Controls and Audits**

1. b
2. c

### **Destroy and Terminate**

1. Paper payroll records should be shredded or burned. Computer records should be purged from the server and all other storage devices.
2. Charlie should receive his final pay on October 12, and not later than October 13. His employer is not required to provide him with a severance package, although he may be eligible for his accrued vacation pay.

## **ANSWERS TO END-OF-CHAPTER MATERIALS**

### **REVIEW QUESTIONS**

1. What are some internal controls for a payroll department?
  1. Payroll system design, authorized signers, documentation, and review of the process
2. Why should more than one person prepare/verify payroll processing?
  1. Internal controls and verification to avoid fraud or theft

3. What documents are required in all new hire packets?
  1. I-9 and W-4
4. Why are new hires required to be reported to the state's employment department?
  1. The enforcement of child support and legal withholdings, ensuring immigrants are still eligible to work, verification of professional licensing/qualifications, administration of COBRA benefits
5. When must a terminated employee be paid his or her final paycheck?
  1. This is a state specific regulation time ranging from the point of discharge to no time requirements.
6. What are the five main payroll frequencies?
  1. Daily, weekly, biweekly, monthly, semi-monthly
7. What are some of the best practices in establishing a payroll system?
  1. Keep any requests for leave with the related paystubs, file retention schedule, have more than one person responsible for the duties/verification, and separation of duties
8. What are the important considerations in setting up a payroll system?
  1. Pay frequency, pay types, method of payment, benefits, manual/computerized/outsourced payroll processing, file security system
9. What are the different tasks involved in payroll accounting?
  1. Entering the employees, entering the hours, calculation of gross wages, preparation of paychecks, payment of taxes, reporting requirements
10. When does a payroll record retention period begin?
  1. Disbursement of pay
11. What agencies or organizations can audit a company's payroll records?
  1. The Internal Revenue Service (IRS)
  2. Federal and State Departments of Labor
  3. Department of Homeland Security
  4. Other state and local agencies

5. Labor unions
12. How long must employers keep terminated employee records?
  1. Seven years
13. Are independent contractors included in company payroll? Why or why not?
  1. It depends; some independent contractors are not included in the company's payroll, but are treated as vendors. Some independent contractors are considered statutory employees and would be included in the company's payroll.
14. What is the difference between termination and resignation?
  1. An employee is terminated by the employer; when the employee initiates the separation it is a resignation.
15. What is the difference between weekly, biweekly, semi-monthly, and monthly pay periods?
  1. A weekly pay period is for one week, biweekly pay period is two weeks long, semi-monthly pay period is twice a month, and monthly pay period is once a month.

## EXERCISES SET A

2-1A. Amanda, a nonexempt employee at Old Tyme Soda Distributing, works a standard 8:00–5:00 schedule with an hour for lunch. Amanda works in a state requiring overtime for hours over 8 per day and for those over 40 in a week. During the week she worked the following schedule:

Monday 8:00–11:00, 12:00–4:30	7.5
Tuesday 8:00–11:00, 12:00–5:15	8.25
Wednesday 8:00–11:00, 12:00–5:00	8
Thursday 8:30–5:00 (no lunch)	8.5
Friday 8:00–6:00 (no lunch)	10

Based on a 40-hour work week, does she qualify for overtime under FLSA regulations? If so, how many hours of regular time and overtime did she work?

1. Yes, since overtime is calculated per day and per week, Amanda is eligible for  $2\frac{3}{4}$  hours of overtime. She will be paid for  $39\frac{1}{2}$  hours of regular time.

2-2A. Jason is a salaried employee earning \$75,000 per year. Calculate the standard gross salary per pay period under each of the following payroll frequencies:

- a. Biweekly  $75,000/26 = \$2,884.62$
- b. Semi-monthly  $75,000/24 = \$3,125.00$
- c. Weekly  $75,000/52 = \$1,442.31$
- d. Monthly  $75,000/12 = \$6,250.00$

2-3A. Katherine quit her job after four years with Canvas Emporium on July 10. Canvas Emporium pays employees semi-monthly on the 15th and last day of each month. Upon quitting, the company had a paid holiday for July 4th, Katherine had 16 hours of vacation accrued she had not used, and she had worked 52 hours, but was not eligible for overtime. Katherine earned an hourly wage of \$16.50 at the time of her separation. Calculate Katherine's final gross (pre-tax and deductions) paycheck.

1.  $(8 \text{ hours holiday} + 16 \text{ hours vacation} + 52 \text{ regular hours}) * 16.50/\text{hour} = \$1,254.00$

2-4A. Angela, a resident of Texas, terminated her employment on December 11, 2014. By what date should she receive her final pay? Review your state's requirements for document retention (search the available resources for educational and governmental record retention). When will the company dispose of her payroll records?

1. Since Angela terminated her employment, her payroll will process as normally with the next payroll processing. If the company had terminated Angela, then payroll must pay within 6 days of termination. The company should keep her final pay information for seven years from the date of termination before destruction.

2-5A. A company operating in California is required to hold their payroll records for three years. They work on governmental contracts that require the payroll record retention for two years. Additionally the company has international contracts stipulating that payroll records must be maintained for six years. How should the company balance these requirements?

1. The longest period of retention should be enforced.

2-6A. Jacob needs additional filing space at the end of the year in the company's offsite, secured storage. He sees several boxes marked for the current year's destruction. What methods can Jacob use to dispose of the payroll records? What steps should he take to ensure the company is not under obligation to retain these records further?

1. Destruction methods of confidential payroll documents include incineration, confidential shredding services, or pulping of the paper records. Prior to destruction of the documentation, Jacob should make sure that all of the documents are eligible for destruction. Reviewing the documentation to see if any paperwork related to legal cases or audits are included is just one example. Jacob could check with a manager or records retention specialist for any questionable items prior to destruction.

2-7A. The controller has requested your assistance to price various accounting software programs available for document retention, payroll preparation, and financial reporting. What requirements should you ensure are present in the computer program?

1. Availability of handling various payroll types, processing timelines, updates of tax tables, maintaining confidentiality, and options for retention schedule implementation.

2-8A. Johan works for Noland Industries as an independent contractor. He has asked you to withhold Social Security and Medicare taxes from his fees. What advice should you offer Johan?

1. Assuming that Johan is not classified as a statutory employee by the IRS, as an independent contractor his fees would be paid as a vendor.

2-9A. What are the forms of identification that establish identity for the I-9? How long does a company retain copies of an employee's I-9?

1. Passport or passport card—if foreign, a right to work (visa) is required, driver's license, social security card, state issued identification card, birth certificate, or special items for those under age 18, permanent residency card, foreign passport with I-551 stamp, employment authorization document with photograph (Form I-766), Form I-94 with either foreign passport or passports from Federated States of Micronesia or the Republic of the Marshall Islands, federal issued identification card with photograph, school identification card with photograph, voter's registration card, U.S. military card or draft letter, military dependent's ID card, U.S. Coast Guard Merchant Mariner Card, Native American Tribal ID Card, Canadian drivers' license.

2. FSLA requires that employee records should be retained for two years following termination of an employee, the I-9 is part of an employee's records.

2-10A. Sue is a citizen of the Northern Pomo Indian Nation. She provides her social security card along with an official Northern Pomo Nation birth certificate as proof of employment eligibility for her I-9. Is this sufficient documentation?

1. Yes, these are acceptable since this would fulfill the requirements of items from type B and type C of the acceptable documents.

2-11A. Complete the W-4 for employment at Bernie's Bar and Grill

Kierstan Amber Winter-Casey

542 Sole Point Road

Sitka, Alaska 99835

SSN: 988-65-3124

Single, head of household

2 dependents

Eligible for the Child tax credit

\$1,500 in child care expenses

Additional information needed to be able to accurately complete the W-4:

1. Total income for Kierstan? Depending on total income, the response to G, Child Tax Credit may be either 1 per child or 2 per child.
2. Any additional amounts to be withheld?
3. Is she claiming the withholding exemption?

# Form W-4 (2014)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2014 expires February 17, 2015. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,000 and includes more than \$350 of unearned income (for example, interest and dividends).

**Exceptions.** An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than \$1,000,000.

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

**Nonresident alien.** If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2014. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

**Future developments.** Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at [www.irs.gov/w4](http://www.irs.gov/w4).

## Personal Allowances Worksheet (Keep for your records.)

<p><b>A</b> Enter "1" for <b>yourself</b> if no one else can claim you as a dependent . . . . .</p> <p><b>B</b> Enter "1" if:               • You are single and have only one job; or               • You are married, have only one job, and your spouse does not work; or               • Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</p> <p><b>C</b> Enter "1" for your <b>spouse</b>. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .</p> <p><b>D</b> Enter number of <b>dependents</b> (other than your spouse or yourself) you will claim on your tax return . . . . .</p> <p><b>E</b> Enter "1" if you will file as <b>head of household</b> on your tax return (see conditions under <b>Head of household</b> above) . . . . .</p> <p><b>F</b> Enter "1" if you have at least \$2,000 of <b>child or dependent care expenses</b> for which you plan to claim a credit . . . . .</p> <p><b>G</b> <b>Child Tax Credit</b> (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.               • If your total income will be less than \$65,000 (\$95,000 if married), enter "2" for each eligible child; then <b>less</b> "1" if you have three to six eligible children or <b>less</b> "2" if you have seven or more eligible children.               • If your total income will be between \$65,000 and \$84,000 (\$95,000 and \$119,000 if married), enter "1" for each eligible child . . . . .</p> <p><b>H</b> Add lines A through G and enter total here. (<b>Note.</b> This may be different from the number of exemptions you claim on your tax return.) ▶</p>	<p><b>A</b> <u>1</u></p> <p><b>B</b> <u>1</u></p> <p><b>C</b> <u>    </u></p> <p><b>D</b> <u>2</u></p> <p><b>E</b> <u>1</u></p> <p><b>F</b> <u>    </u></p> <p><b>G</b> <u>2</u></p> <p><b>H</b> <u>7</u></p>
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For accuracy, **complete all worksheets that apply.**

- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed \$50,000 (\$20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

<b>Form W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b> ▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		OMB No. 1545-0074 <b>2014</b>
<b>1</b> Your first name and middle initial <b>Kierstan A</b>		<b>Last name</b> <b>Winter-Casey</b>		<b>2</b> Your social security number <b>988-65-3124</b>
<b>3</b> Home address (number and street or rural route) <b>542 Sole Point Rd</b> City or town, state, and ZIP code <b>Sitka, AK 99835</b>		<b>3</b> <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note.</b> If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.		
<b>4</b> If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ <input type="checkbox"/>				
<b>5</b> Total number of allowances you are claiming (from line <b>H</b> above or from the applicable worksheet on page 2)		<b>5</b> <u>7</u>		
<b>6</b> Additional amount, if any, you want withheld from each paycheck . . . . .		<b>6</b> \$ <u>    </u>		
<b>7</b> I claim exemption from withholding for 2014, and I certify that I meet <b>both</b> of the following conditions for exemption.				
• Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b> • This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability. If you meet both conditions, write "Exempt" here . . . . . ▶ <b>7</b> <u>    </u>				
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
<b>Employee's signature</b> (This form is not valid unless you sign it.) ▶		<b>Date</b> ▶		
<b>8</b> Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		<b>9</b> Office code (optional)		<b>10</b> Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2014)



2-12A. Complete the I-9 for employment at Excelsior College. Be sure to complete the “preparer” section.

Meaghan Ariel Lambert

Maiden name: Smith

Social Security number: 123-45-6789

Date of Birth: 7-1-1984

552 Coddington Road

Rio Nido, California 95555

U.S. Citizen

Passport number 5397816, issued by the United States State Department, expires 10/31/2018



## Employment Eligibility Verification

Department of Homeland Security  
U.S. Citizenship and Immigration Services

USCIS

Form I-9

OMB No. 1615-0047

Expires 03/31/2016

**▶START HERE.** Read instructions carefully before completing this form. The instructions must be available during completion of this form.

**ANTI-DISCRIMINATION NOTICE:** It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

**Section 1. Employee Information and Attestation** *(Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)*

Last Name (Family Name) Lambert		First Name (Given Name) Meaghan		Middle Initial A	Other Names Used (if any) Smith
Address (Street Number and Name) 552 Coddington Road		Apt. Number	City or Town Rio Nido	State CA	Zip Code 95555
Date of Birth (mm/dd/yyyy) 07/01/1984	U.S. Social Security Number 123-45-6789	E-mail Address			Telephone Number

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- ☒ A citizen of the United States
- ☐ A noncitizen national of the United States *(See instructions)*
- ☐ A lawful permanent resident (Alien Registration Number/USCIS Number): \_\_\_\_\_
- ☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) \_\_\_\_\_. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number OR Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: \_\_\_\_\_

**OR**

2. Form I-94 Admission Number: \_\_\_\_\_

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: \_\_\_\_\_

Country of Issuance: \_\_\_\_\_

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. *(See instructions)*

**3-D Barcode**  
Do Not Write in This Space

Signature of Employee:	Date (mm/dd/yyyy):
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**Preparer and/or Translator Certification** *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:		Date (mm/dd/yyyy):	
Last Name (Family Name)		First Name (Given Name)	
Address (Street Number and Name)	City or Town	State	Zip Code

**Section 2. Employer or Authorized Representative Review and Verification**

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1:

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title:		Document Title:
Issuing Authority:		Issuing Authority:		Issuing Authority:
Document Number:		Document Number:		Document Number:
Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):
Document Title:		<div style="border: 1px solid black; padding: 10px; text-align: center;"> <b>3-D Barcode</b>  <b>Do Not Write in This Space</b> </div>		
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				

**Certification**

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment (mm/dd/yyyy): \_\_\_\_\_ (See instructions for exemptions.)

Signature of Employer or Authorized Representative		Date (mm/dd/yyyy)		Title of Employer or Authorized Representative	
Last Name (Family Name)		First Name (Given Name)		Employer's Business or Organization Name	
Employer's Business or Organization Address (Street Number and Name)			City or Town		State Zip Code

**Section 3. Reverification and Rehires (To be completed and signed by employer or authorized representative.)**

A. New Name (if applicable) Last Name (Family Name) First Name (Given Name) Middle Initial B. Date of Rehire (if applicable) (mm/dd/yyyy):

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date (if any)(mm/dd/yyyy):
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I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date (mm/dd/yyyy):	Print Name of Employer or Authorized Representative:
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**EXERCISES SET B**

2-1B. Connie, a nonexempt employee of Westside Motel, works a standard 6:00–3:00 p.m. schedule with an hour for lunch. Connie works in a state requiring overtime for hours over 8 per day and for those over 40 in a week. During the week, she worked the following schedule:

Monday 6:00–10:30, 11:15–3:00	8.25
Tuesday 6:15–10:45, 11:45–3:15	8
Wednesday 5:45–10:00, 11:00–3:30	8.75
Thursday 7:00–12:00, 1:00–3:00	7
Friday 6:00–3:00 (no lunch)	9

Based on a 40-hour work week, does she qualify for overtime under FLSA regulations? If so, how many hours of regular time and overtime did she work?

1. Yes, since she is nonexempt any hours over 8 per day and 40 per week would be eligible for overtime. 2 hours of overtime and 39 hours of regular hours

2-2B. Paolo is a salaried employee earning \$84,000 per year. Calculate the standard gross salary per pay period under each of the following payroll frequencies:

- a. Biweekly  $\$84,000/26 = \$3,230.77$
- b. Semi-monthly  $\$84,000/24 = \$3,500.00$
- c. Weekly  $\$84,000/52 = \$1,615.38$
- d. Monthly  $\$84,000/12 = \$7,000$

2-3B. Terri quit her job after four years with Aspen Tree Service in Colorado on Friday, October 31. Aspen Tree Service pays employees weekly on Fridays. Upon quitting, Terri had 38.5 hours of vacation accrued that she had not used, and she had worked 45 hours that was subject to overtime. Terri earned an hourly wage of \$11.50 at the time of her separation. Calculate Terri's final gross (pre-tax and deductions) paycheck. When must she receive her final paycheck?

1.  $(38.5 + 40) \text{ hours} \times \$11.50 + 5 \times (\$11.50 \times 1.5) = \$902.75 + 86.25 = \$989.00$ ; since Terri quit, she will receive her paycheck with the standard processing of payroll.

2-4B. Brad terminated his employment on December 11, 2014. Review your state's requirements for document retention (search the available resources for educational and governmental record retention). When should the company dispose of his payroll records?

1. Employee records should be retained for a period of 7 years under best practices.

2-5B. A general contractor operating in Nebraska is required to retain its payroll records for four years. They work on interstate contracts that require the payroll record retention for three years. Additionally, the company has national contracts stipulating that payroll records must be maintained for five years. How should the company balance these requirements?

1. The company should maintain the records for the longer period, five years.

2-6B. Martin needs additional filing space at the end of the year in the company's office, and chooses to use offsite, secured storage. Upon arriving at the storage facility, he discovers that the unit is nearly full and sees several boxes marked for destruction at the end of the next calendar year. What are Martin's obligations regarding these payroll records? What steps should he take to ensure the company retains, stores, and disposes of payroll records properly?

1. Martin should ensure that the storage area is large enough to accommodate the records. As a company grows, the need for larger storage will appear. Martin should keep the documents organized to ensure the retention schedule is kept.

2-7B. Upon starting a new job in a company that has 70 employees, you notice that the company has been using manual accounting records and has retained every record since the business started 15 years ago. Your boss has asked you to recommend an accounting software system for accounting, payroll, and document destruction. Write your recommendations and rationale.

1. Key points that need to be included: ease of update for changes in tax laws, tax tables, and payroll regulations; ease of reporting; confidentiality

2-8B. Sandy is an independent contractor who is new to your company. Should you assign her compensation to the payroll clerk or to the accounts payable department? Explain.

1. Independent contractors are most frequently treated as a vendor and would be sent to accounts payable. However, depending upon specific requirements, Sandy could be classified as a statutory employee.

2-9B. Quinn, a member of the Menominee Indian nation, is a new employee at Raven Enterprises. During the process of completing his I-9, his only means of identity is a Menominee Nation identification document. Is this document sufficient to verify his employment eligibility? Explain.

1. The Menominee Nation identification card would only be one part of the qualifications (falling under type C). A secondary form (from type B) would be necessary.

2-10B. Frank was terminated for cause from Pineland Industries in Georgia. As of the date of his termination, he had accrued 24 hours of vacation and 15 hours of sick time. When must his final pay be issued? Will his accrued vacation and sick time be included in his final pay? Explain.

1. Georgia does not have specific termination requirements for the processing; the company will probably choose to issue the check with standard payroll. Depending upon the company policy and employee agreement, the vacation and sick time may be included.

2-11B. Complete the W-4 for employment at Dark Forest Ranch:

Madeline Emma Jenkins

203 County Road 4

Douglas, Wyoming 82036

SSN: 545-02-1987

Married filing jointly

3 dependents

She has a second job as a waitress at the Douglas Café, where she earns \$12,000/year

Additional information needed to be able to accurately complete the W-4:

1. Need to note that Madeline wants to enter 0 on line C even though she has a spouse. The w-4 states that she may “choose to enter 0”.
2. Any child care expenses?
3. Able to claim child tax credit?

4. Married? Or Married, but withhold at higher single rate?
5. Any additional amounts to be withheld?
6. Is she claiming the withholding exemption?

## Form W-4 (2014)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2014 expires February 17, 2015. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,000 and includes more than \$350 of unearned income (for example, interest and dividends).

**Exceptions.** An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income, tax credits, or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than \$1,000,000.

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

**Nonresident alien.** If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2014. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

**Future developments.** Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at [www.irs.gov/w4](http://www.irs.gov/w4).

### Personal Allowances Worksheet (Keep for your records.)

<b>A</b>	Enter "1" for yourself if no one else can claim you as a dependent . . . . .	<b>A</b>	<b>1</b>
<b>B</b>	Enter "1" if: <div style="display: inline-block; vertical-align: middle;"> <ul style="list-style-type: none"> <li>• You are single and have only one job; or</li> <li>• You are married, have only one job, and your spouse does not work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul> </div>	<b>B</b>	
<b>C</b>	Enter "1" for your spouse. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .	<b>C</b>	
<b>D</b>	Enter number of dependents (other than your spouse or yourself) you will claim on your tax return . . . . .	<b>D</b>	<b>3</b>
<b>E</b>	Enter "1" if you will file as head of household on your tax return (see conditions under <b>Head of household</b> above) . . . . .	<b>E</b>	
<b>F</b>	Enter "1" if you have at least \$2,000 of child or dependent care expenses for which you plan to claim a credit . . . . .	<b>F</b>	
<b>G</b>	<b>Child Tax Credit</b> (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than \$65,000 (\$95,000 if married), enter "2" for each eligible child; then less "1" if you have three to six eligible children or less "2" if you have seven or more eligible children. • If your total income will be between \$65,000 and \$84,000 (\$95,000 and \$119,000 if married), enter "1" for each eligible child . . . . .		
<b>H</b>	Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) ►	<b>H</b>	<b>4</b>
For accuracy, complete all worksheets that apply. <div style="display: inline-block; vertical-align: middle;"> <ul style="list-style-type: none"> <li>• If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the <b>Deductions and Adjustments Worksheet</b> on page 2.</li> <li>• If you are single and have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$50,000 (\$20,000 if married), see the <b>Two-Earners/Multiple Jobs Worksheet</b> on page 2 to avoid having too little tax withheld.</li> <li>• If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.</li> </ul> </div>			

----- Separate here and give Form W-4 to your employer. Keep the top part for your records. -----

<b>Form W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b> ▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		OMB No. 1545-0074 <b>2014</b>
<b>1</b> Your first name and middle initial <b>Madeline E</b>		Last name <b>Jenkins</b>		<b>2</b> Your social security number <b>545-02-1987</b>
Home address (number and street or rural route) <b>203 County Road 4</b> City or town, state, and ZIP code <b>Douglas, WY 82036</b>		<b>3</b> <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note.</b> If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.		
		<b>4</b> If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. <input type="checkbox"/>		
<b>5</b> Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		<b>5</b> <b>4</b>		
<b>6</b> Additional amount, if any, you want withheld from each paycheck		<b>6</b> \$		
<b>7</b> I claim exemption from withholding for 2014, and I certify that I meet <b>both</b> of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here . . . . .		<b>7</b>		
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
<b>Employee's signature</b> (This form is not valid unless you sign it.) ►		<b>Date</b> ►		
<b>8</b> Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		<b>9</b> Office code (optional)		<b>10</b> Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2014)



2-12B. Complete the I-9 for employment with the Tennessee Department of Corrections. Be sure to complete the “preparer” section.

Martin Allan Davis

Social Security number: 987-65-4312

Date of Birth: 5-29-1975

5923 Bunker Hill Road

Clarksville, Tennessee 38205

U.S. Citizen



## Employment Eligibility Verification

Department of Homeland Security  
U.S. Citizenship and Immigration Services

**USCIS  
Form I-9**

OMB No. 1615-0047  
Expires 03/31/2016

**▶START HERE.** Read instructions carefully before completing this form. The instructions must be available during completion of this form.  
**ANTI-DISCRIMINATION NOTICE:** It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

**Section 1. Employee Information and Attestation** *(Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)*

Last Name (Family Name) Davis		First Name (Given Name) Martin		Middle Initial A	Other Names Used (if any)	
Address (Street Number and Name) 5923 Bunker Hill Rd			Apt. Number	City or Town Clarksville	State TN	Zip Code 38205
Date of Birth (mm/dd/yyyy) 05/29/1975	U.S. Social Security Number 9 8 7 - 6 5 - 4 3 1 2		E-mail Address			Telephone Number

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- ☒ A citizen of the United States
- ☐ A noncitizen national of the United States *(See instructions)*
- ☐ A lawful permanent resident (Alien Registration Number/USCIS Number): \_\_\_\_\_
- ☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) \_\_\_\_\_. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number OR Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: \_\_\_\_\_

**OR**

2. Form I-94 Admission Number: \_\_\_\_\_

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: \_\_\_\_\_

Country of Issuance: \_\_\_\_\_

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. *(See instructions)*

**3-D Barcode  
Do Not Write in This Space**

Signature of Employee:	Date (mm/dd/yyyy):
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**Preparer and/or Translator Certification** *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:		Date (mm/dd/yyyy):	
Last Name (Family Name)		First Name (Given Name)	
Address (Street Number and Name)		City or Town	State      Zip Code



*Employer Completes Next Page*



**Section 2. Employer or Authorized Representative Review and Verification**

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1:

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title:		Document Title:
Issuing Authority:		Issuing Authority:		Issuing Authority:
Document Number:		Document Number:		Document Number:
Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):
Document Title:		<div style="border: 1px solid black; padding: 10px; text-align: center;"> <b>3-D Barcode</b>  <b>Do Not Write in This Space</b> </div>		
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				

**Certification**

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment (mm/dd/yyyy): \_\_\_\_\_ (See instructions for exemptions.)

Signature of Employer or Authorized Representative		Date (mm/dd/yyyy)		Title of Employer or Authorized Representative	
Last Name (Family Name)		First Name (Given Name)		Employer's Business or Organization Name	
Employer's Business or Organization Address (Street Number and Name)			City or Town	State	Zip Code

**Section 3. Reverification and Rehires (To be completed and signed by employer or authorized representative.)**

**A.** New Name (if applicable) Last Name (Family Name) First Name (Given Name) Middle Initial **B.** Date of Rehire (if applicable) (mm/dd/yyyy):

**C.** If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date (if any)(mm/dd/yyyy):
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I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date (mm/dd/yyyy):	Print Name of Employer or Authorized Representative:
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## CRITICAL THINKING

2-1. When BirMax was looking to implement a payroll accounting system, the manufacturing firm had several options. With only 40 employees, the manual preparation of payroll through spreadsheets and handwritten time cards was a comfortable option for the firm. Another option is to sell the senior management of BirMax on implementing a software program for payroll processing. What are the key points to consider? If the company has more than one department, how can this transition be accomplished?

1. Key points that need to be included: ease of update for changes in tax laws, tax tables, and payroll regulations; ease of reporting; whether the employee self-service option would be eligible; confidentiality

2-2. You have been hired as a consultant for a company facing an IRS audit of their accounting records. During your review, you notice anomalies in the payroll system involving overpayments of labor and payments to terminated employees. What would you do?

1. When the abnormalities are discovered, the management of the company should be made aware of the situation. Since the IRS audit is imminent, documenting the date of the find and attempts to rectify the error would be advisable. Depending upon the nature of the anomalies, the company or payroll employees may have made some serious errors.

## IN THE REAL WORLD: CASE FOR DISCUSSION

Student response will vary.

## CONTINUING PAYROLL PROJECT: PREVOSTI FARMS AND SUGARHOUSE

Prevosti Farms and Sugarhouse pays its employees according to their job classification. The following employees make up Sugarhouse's staff:

Employee Number	Name and Address	Payroll information
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A-Mille	Thomas Millen 1022 Forest School Rd Woodstock, VT 05001 802-478-5055 SSN:031-11-3456 401(k) deduction: 3%	Hire Date: 2-1-2014 DOB: 12-16-1982 Position: Production Manager PT/FT: FT, exempt No. of Exemptions: 4 M/S: M Pay Rate: \$35,000/year
A-Towle	Avery Towle 4011 Route 100 Plymouth, VT 05102 802-967-5873 SSN:089-74-0974	Hire Date: 2-4-2014 DOB: 7-14-1991 Position: Production Worker PT/FT: FT, nonexempt No. of Exemptions: 1 M/S: S Pay Rate: \$12.00/hour
A-Long	Charlie Long 242 Benedict Road S. Woodstock, VT 05002 802-429-3846 SSN: 056-23-4593	Hire Date: 2-7-14 DOB: 3-16-1987 Position: Production Worker PT/FT: FT, nonexempt No. of Exemptions: 2 M/S: M Pay Rate: \$12.50/hour
B-Shang	Mary Shangraw 1901 Main Street #2 Bridgewater, VT 05520	Hire Date: 2-5-14 DOB: 8-20-1994 Position: Administrative Assistant

	802-575-5423 SSN: 075-28-8945	PT/FT: PT, nonexempt No. of Exemptions: 1 M/S: S Pay Rate: \$10.50/hour
B-Lewis	Kristen Lewis 840 Daily Hollow Road Bridgewater, VT 05523 802-390-5572 SSN: 076-39-5673	Hire Date: 2-2-14 DOB: 4-6-1950 Position: Office Manager PT/FT: FT, exempt No. of Exemptions: 3 M/S: M Pay Rate: \$32,000/year
B-Schwa	Joel Schwartz 55 Maple Farm Way Woodstock, VT 05534 802-463-9985 SSN: 021-34-9876	Hire Date: 2-1-14 DOB: 5-23-1985 Position: Sales PT/FT: FT, exempt No. of Exemptions: 2 M/S: M Pay Rate: \$24,000/year base plus 3% commission per case sold
B-Prevo	Toni Prevosti 10520 Cox Hill Road Bridgewater, VT 05521 802-673-2636 SSN: 055-22-0443	Hire Date: 2-1-14 DOB: 9-18-1967 Position: Owner/President PT/FT: FT, exempt No. of Exemptions: 5 M/S: M

		Pay Rate: \$45,000/year
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The Departments are as follows:

Department A: Agricultural Workers

Department B: Office Workers

1. You have been hired as of February 10, 2014, as the new accounting clerk. Your employee number is B-XXXX, where “B” denotes that you are an office worker and “XXXXX” is the first five letters of your last name. If your last name is fewer than five letters, use the first few letters of your first name to complete the employee number. Your social security number is 555-55-5555, and you are full-time, nonexempt, and paid at a rate of \$34,000 per year. You are single with only one job (claiming 2 exemptions). You live at 1644 Smittin Road, Woodstock, VT 05001. Your date of birth is 1/1/1991 and your Social Security number is 555-55-5555 for the project. You are a citizen of the United States and provide a Vermont driver’s license #88110009 expiring 1/1/2016 in addition to your Social Security card for verification of your identity. Complete the W-4 and the I-9 to start your own employee file.

# Form W-4 (2014)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2014 expires February 17, 2015. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,000 and includes more than \$350 of unearned income (for example, interest and dividends).

**Exceptions.** An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than \$1,000,000.

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

**Nonresident alien.** If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2014. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

**Future developments.** Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at [www.irs.gov/w4](http://www.irs.gov/w4).

## Personal Allowances Worksheet (Keep for your records.)

<p><b>A</b> Enter "1" for <b>yourself</b> if no one else can claim you as a dependent . . . . .</p> <p><b>B</b> Enter "1" if:           { • You are single and have only one job; or           • You are married, have only one job, and your spouse does not work; or           • Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less. } . . . . .</p> <p><b>C</b> Enter "1" for your <b>spouse</b>. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .</p> <p><b>D</b> Enter number of <b>dependents</b> (other than your spouse or yourself) you will claim on your tax return . . . . .</p> <p><b>E</b> Enter "1" if you will file as <b>head of household</b> on your tax return (see conditions under <b>Head of household</b> above) . . . . .</p> <p><b>F</b> Enter "1" if you have at least \$2,000 of <b>child or dependent care expenses</b> for which you plan to claim a credit . . . . .          (Note. Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)</p> <p><b>G</b> <b>Child Tax Credit</b> (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.          • If your total income will be less than \$65,000 (\$95,000 if married), enter "2" for each eligible child; then <b>less</b> "1" if you have three to six eligible children or <b>less</b> "2" if you have seven or more eligible children.          • If your total income will be between \$65,000 and \$84,000 (\$95,000 and \$119,000 if married), enter "1" for each eligible child . . . . .</p> <p><b>H</b> Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) ►</p>	<p><b>A</b> <u>1</u></p> <p><b>B</b> <u>1</u></p> <p><b>C</b> _____</p> <p><b>D</b> _____</p> <p><b>E</b> _____</p> <p><b>F</b> _____</p> <p><b>G</b> _____</p> <p><b>H</b> _____</p>
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For accuracy, complete all worksheets that apply. {

- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed \$50,000 (\$20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

<b>Form W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b> ► Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		OMB No. 1545-0074 <b>2014</b>
<b>1</b> Your first name and middle initial <u>Student F</u>		<b>Last name</b> <u>Success</u>		<b>2</b> Your social security number <u>555-55-5555</u>
<b>Home address (number and street or rural route)</b> <u>1644 Smittin Road</u> City or town, state, and ZIP code <u>Woodstock, VT 05001</u>		<b>3</b> <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.		
		<b>4</b> If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► <input type="checkbox"/>		
<b>5</b> Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		<b>5</b> <u>2</u>		
<b>6</b> Additional amount, if any, you want withheld from each paycheck . . . . .		<b>6</b> \$ _____		
<b>7</b> I claim exemption from withholding for 2014, and I certify that I meet <b>both</b> of the following conditions for exemption. • Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b> • This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability. If you meet both conditions, write "Exempt" here . . . . . ► <b>7</b>				
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
<b>Employee's signature</b> (This form is not valid unless you sign it.) ►		<b>Date</b> ►		
<b>8</b> Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		<b>9</b> Office code (optional)	<b>10</b> Employer identification number (EIN)	

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2014)





## Employment Eligibility Verification

Department of Homeland Security  
U.S. Citizenship and Immigration Services

**USCIS**  
**Form I-9**

OMB No. 1615-0047  
Expires 03/31/2016

**▶ START HERE.** Read instructions carefully before completing this form. The instructions must be available during completion of this form.  
**ANTI-DISCRIMINATION NOTICE:** It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

**Section 1. Employee Information and Attestation** *(Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)*

Last Name (Family Name) Success		First Name (Given Name) Student		Middle Initial F	Other Names Used (if any)	
Address (Street Number and Name) 1644 Smittin Rd		Apt. Number	City or Town Woodstock		State VT	Zip Code 05001
Date of Birth (mm/dd/yyyy) 01/01/1991	U.S. Social Security Number 555-55-5555		E-mail Address		Telephone Number	

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- ☒ A citizen of the United States
- ☐ A noncitizen national of the United States *(See instructions)*
- ☐ A lawful permanent resident (Alien Registration Number/USCIS Number): \_\_\_\_\_
- ☐ An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) \_\_\_\_\_. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number OR Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: \_\_\_\_\_

**OR**

2. Form I-94 Admission Number: \_\_\_\_\_

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: \_\_\_\_\_

Country of Issuance: \_\_\_\_\_

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. *(See instructions)*

**3-D Barcode**  
**Do Not Write in This Space**

Signature of Employee:	Date (mm/dd/yyyy):
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**Preparer and/or Translator Certification** *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:		Date (mm/dd/yyyy):	
Last Name (Family Name)		First Name (Given Name)	
Address (Street Number and Name)		City or Town	State      Zip Code



*Employer Completes Next Page*



**Section 2. Employer or Authorized Representative Review and Verification**

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1:

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title:		Document Title:
Issuing Authority:		Issuing Authority:		Issuing Authority:
Document Number:		Document Number:		Document Number:
Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):
Document Title:		<div style="border: 1px solid black; padding: 10px; text-align: center;"> <b>3-D Barcode</b>  <b>Do Not Write in This Space</b> </div>		
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				

**Certification**

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment (mm/dd/yyyy): \_\_\_\_\_ (See instructions for exemptions.)

Signature of Employer or Authorized Representative		Date (mm/dd/yyyy)		Title of Employer or Authorized Representative	
Last Name (Family Name)		First Name (Given Name)		Employer's Business or Organization Name	
Employer's Business or Organization Address (Street Number and Name)			City or Town	State	Zip Code

**Section 3. Reverification and Rehires (To be completed and signed by employer or authorized representative.)**

A. New Name (if applicable) Last Name (Family Name) First Name (Given Name) Middle Initial B. Date of Rehire (if applicable) (mm/dd/yyyy):

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date (if any)(mm/dd/yyyy):
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I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date (mm/dd/yyyy):	Print Name of Employer or Authorized Representative:
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2. Complete the employee information form for each employee. Enter the pay rate for each employee.

## EMPLOYEE INFORMATION FORM

NAME Thomas Millen Hire Date 2/1/2014

ADDRESS 1022 Forest Date of Birth  
School Rd 12/16/1982CITY/STATE/ZIP Position Production  
Woodstock/VT/05001 ManagerTELEPHONE 802-478-  
5055 No. of exemptions 4SOCIAL SECURITY  
NUMBER 031-11-3456 Pay Rate \$35,000/year

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

## EMPLOYEE INFORMATION FORM

NAME Avery Towle Hire Date 2/4/2014

ADDRESS 4011 Route

100 Date of Birth 7/14/1991

CITY/STATE/ZIP Position Production

Plymouth/VT/05102 Worker

TELEPHONE 802-967-

5873 No. of exemptions 1

SOCIAL SECURITY

NUMBER 089-74-0974 Pay Rate \$12.00/hour

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

## EMPLOYEE INFORMATION FORM

NAME Charlie Long Hire Date 2/7/2014

ADDRESS 242 Benedict

Rd Date of Birth 3/16/1987

CITY/STATE/ZIP S. Position Production

Woodstock/VT/05002 Worker

TELEPHONE 802-429-

3846 No. of exemptions 2

## SOCIAL SECURITY

NUMBER 056-23-4593 Pay Rate \$12.50/hour

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

## EMPLOYEE INFORMATION FORM

NAME Mary

Shangraw

Hire Date 2/5/2014

ADDRESS 1901 Main

St #2

Date of Birth 8/20/1994

CITY/STATE/ZIP

Position

Bridgewater/VT/05520

Administrative Assistant

TELEPHONE 802-575-

5423

No. of exemptions 1

SOCIAL SECURITY

NUMBER 075-28-8945 Pay Rate \$10.50/hour

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

## EMPLOYEE INFORMATION FORM

NAME Kristen Lewis Hire Date 2/2/2014

ADDRESS 840 Daily

Hollow Rd Date of Birth 4/6/1950

CITY/STATE/ZIP Position Office

Bridgewater/VT/05523 Manager

TELEPHONE 802-390-5572

No. of exemptions 3

## SOCIAL SECURITY

NUMBER 076-39-5673 Pay Rate \$32,000/year

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	



## EMPLOYEE INFORMATION FORM

NAME Joel Schwartz Hire Date 2/1/2014

ADDRESS 55 Maple

Farm Way Date of Birth 5/23/1985

CITY/STATE/ZIP

Woodstock/VT/05534 Position Sales

TELEPHONE 802-463-

9985 No. of exemptions 2

SOCIAL SECURITY Pay Rate \$24,000/year +

NUMBER 021-34-9876 commission

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

## EMPLOYEE INFORMATION FORM

NAME Toni Prevosti Hire Date 2/1/2014

ADDRESS 10520 Cox

Hill Rd Date of Birth 9/18/1967

CITY/STATE/ZIP Position

Bridgewater/VT/05521 Owner/President

TELEPHONE 802-673-

2636 No. of exemptions 5

## SOCIAL SECURITY

NUMBER 055-22-0443 Pay Rate \$45,000/year

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				0						0	0	

## EMPLOYEE INFORMATION FORM

NAME Student F

Success

Hire Date 2/10/2014

ADDRESS 1644 Smittin

Rd

Date of Birth 1/1/1991

CITY/STATE/ZIP

Position Accounting

Woodstock/VT/05001

Clerk

TELEPHONE (555)555-

5555

No. of exemptions 2

SOCIAL SECURITY

NUMBER 555-55-5555 Pay Rate \$34,000/year

Period Ended	Hrs. Worked	Reg Pay	OT Pay	Gross Pay	Social Sec. Tax	Medicare	Fed Inc. Tax	State Inc. Tax	401(k)	Total Deduc	Net pay	YTD
				-						-	-	