Reading Your Paystub

Purpose: Knowing how your money works is important from the very beginning, including before it even hits your bank account. Manage your money confidently, make better financial decisions, and see exactly where your money is going.

Pay Date: 11/17/2025
Pay Period: 11/01/2025 - 11/15/2025

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Earnings & Hours		Deductions		Taxes		Net Pay		Employer Contributions	
Description	Amount	Description	Amount	Description	Amount	Description	Amount	Description	Amount
Salary	$1,875	401k Dental Medical	$112.50 $25.00 $115.00	IA SIT FIT FICA-SS FICA-MED	$77.37 $215.33 $116.25 $27.19	Direct Deposit	$1,186.36	401k	$56.25
Gross Total	$1,875	Total	$252.50	Total	$436.14	Net Total	$1,186.36	Total	$56.25

Earnings & Hours

Also known as the gross amount, this is the total amount of money you earn before any deductions or taxes are withheld. The pay period for this paystub is 2 weeks. Assuming you worked a total of 80 hours, your approximate hourly wage is $23.44. 1,875 / 80 = 23.44
If a job advertises paying $15 an hour and you work 40 hours, your gross pay is $600. Remember that this is not the amount you will see in your bank account.

Deductions

These are items subtracted from the gross amount. They are usually optional and selected by the employee for their own benefit before you start your job, such as a 401k contribution or insurance. These are deducted from every paycheck. This employee is paying for dental insurance, medical insurance, and contributing to a 401k. She is making a 6% 401k contribution from every paycheck to save towards retirement. 112.50 / 1,875 = 0.06 0.06 x 100 = 6%

Taxes

These are items subtracted from the gross amount. They are *required*, not optional. These are deducted from every paycheck for every employee. FICA is a federal program that funds Social Security (FICA-SS) and Medicare (FICA-MED). You will also see FIT, which is Federal Income Tax. Depending on the state you live in, you may or may not see SIT which is State Income Tax.

Net Pay & Employer Contributions

Your net total is the actual amount you see hit your bank account after all deductions and taxes are withheld. Gross - Deductions- Taxes = Net
Many employers offer matches to your 401k, this is money they deposit into your retirement account at no cost to you! If your employer offers a 3% match (1,875 x .03 = 56.25), that is $56.25! This is not used to calculate your net pay, it is purely informational. Even if you are contributing 6%, they will only match 3%.

*Free Available Resources at AllForHerself.com

*5-Day Resume

*Checking, Savings, and Credit Card Automated Financial Process

*The Unconventional Job Path

*Reading Your Paystub

*The Budget Revision

*Resume Suggestions

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