



PUTTING YOUR *Paycheck* TO WORK

FEDERAL RESERVE BANK OF KANSAS CITY

IT PAYS TO UNDERSTAND YOUR PAYCHECK

The better you understand your paycheck the better you can manage your financial needs.

UNDERSTAND YOUR PAYCHECK RECORD

Your paycheck record explains your pay and what affects it. Your gross pay is how much you make; your net pay is how much you take home. Your withholdings and deductions make up the difference.

REVIEW AND ADJUST YOUR W-4

Your W-4 is used to determine your withholdings for taxes. You should adjust your W-4 after major events like marriage, divorce, birth of a child or adoption.

CONSIDER A BANK ACCOUNT WITH DIRECT DEPOSIT

Direct deposit your paycheck into a checking or savings account to save time, to get quicker access to your money and to increase your savings.

TAKE ADVANTAGE OF BENEFITS OFFERED BY YOUR EMPLOYER

Check with your employer about benefits such as medical insurance, retirement plans and commuting expenses. The final cost to your net pay may be less than you expect.

USE ONLINE PAYCHECK AND W-4 CALCULATORS

Free online calculators can help you see how changes to your W-4 and benefit decisions can affect your withholdings and net pay. Visit <http://paycheck.kcfed.org> for additional information and resources about understanding and managing your paycheck.



PAYCHECK.KCFED.ORG