A W2 is the federal tax form that reports an employee’s annual wages and the amount of taxes withheld during the year. The employer sends a W2 to every employee and the IRS by January 31st of each year. The W2 is contains the information needed to complete an income tax form.

Before you calculate the amount of federal taxes you will be required to pay – or what you might get back in a tax return – you will need to determine how much your employer would be taking out of your paycheck.

1. Determine the average pay you might earn for the first year in your chosen career (Google search). Divide that annual income by 26 to determine how much your gross income would be if you were paid biweekly throughout the year.

|  |  |
| --- | --- |
| First Year Income: |  |
| ÷ 26 paychecks = Gross Income Per Pay Period |  |

2. Find your gross income per pay period in “Wage Bracket Method Tables for Income Tax Withholding SINGLE Persons—BIWEEKLY Payroll Period.” Determine the amount of federal income taxes that would be withheld from each paycheck.

|  |  |
| --- | --- |
| Federal Income Tax Withheld Each Pay Period: |  |
| x 26 paychecks =  Annual Federal Income Tax Withheld |  |

3. Calculate your FICA (Federal Insurance Contributions) tax by using the following formulas:

|  |  |
| --- | --- |
| First Year Income x 6.2% [x.062]: | ***Social Security Tax*** |
| First Year Income x 1.45% [.0145]: | ***Medicare Tax*** |

4. Find your gross income per pay period in “2017 Maine Income Tax Withholding Wage Bracket Tables SINGLE – BIWEEKLY.” Determine the amount of Maine state income taxes that would be withheld from each paycheck.

|  |  |
| --- | --- |
| State Income Tax Withheld Each Pay Period: |  |
| x 26 paychecks =  Annual State Income Tax Withheld |  |

Now use this information to complete your W2 Form.



*(here’s an extra one in case you need it)*

