Employee Smarts
“What You Want in a Job and How You Get Paid”

Life Smart Activities:
1. Complete a Job Application.
2. Write a Letter of Application.
3. Produce a Résumé.
4. Fill out a W-4.
5. Fill out an I-9.
6. Make payroll computations.

What do you want in a job?

Work schedules (the days and hours you work) vary greatly. Days? Nights? Weekends? When you consider any employment opportunity, it is necessary to coordinate school and/or family obligations with your work schedule. Rate of pay (how much money you make; otherwise known as income or compensation) is another factor to consider. Retirement benefits are also important, but be aware that many employers are cutting or eliminating these benefits. More often now, employees are responsible for handling their own retirement plans through company-sponsored 401(k) plans and/or IRA programs.

Proximity to school and home should also be considered, as this will be a daily transportation concern. Advancement (promotions, additional training, more responsibility, etc.) is another important issue. As you grow professionally over time, you will want to make sure that you are offered opportunities for additional responsibilities and compensation. Finally, if you spend eight hours (or more) a day at work, you want to find a job that is not only fun but challenging.
Did you know?

If it takes 30 minutes to drive to work, you will spend approximately five hours per week in your car. That adds up to approximately 260 hours (10+ days) per year!

Job vs. career

Although the word job is used loosely to describe a place of work, in reality, a job is usually a short-term means to an end. Jobs provide income to pay bills and provide support for you and your family in the “here and now.” Whether you like your job or not; most people consider it essential to survive.

In contrast, a career is a stable, long-term pursuit that provides all of the benefits of a job. In addition, it offers the opportunity to develop personally by learning additional skills and knowledge that make you more valuable (worth more) in the workplace. A career also offers advancement possibilities within the company to positions of higher responsibility and higher pay.

A job is usually where you have to be to make money to pay bills. Careers tend to be “passions,” or what you want to be doing because you enjoy the work and are paid for doing something you love.

Compensation

Compensation is a term that refers to the total value of a position. The rate of pay is only one of many elements that make up compensation. Hourly employees are paid a set amount for every hour they work, up to 40 hours. If they work additional hours, this is considered overtime, and they are paid 1.5 times that amount. Salaried employees are paid a pre-determined amount for every pay period, no matter how many hours they work. Commission, or bonus, refers to additional money paid to an employee based on performance.
Employers may or may not provide employees with **insurance benefits**, like, medical, dental, and life insurance benefits. The amount an employer contributes toward the cost of insurance is known as its premium and counts as compensation.

**Paid time off** may include vacation time, sick leave, and/or holiday pay. Each day of paid time off is a form of compensation. **Retirement Savings** include 401(k) and 403(b) plans, pensions, and Employee Stock Ownership Plans (ESOPs), among others. These plans allow a company to offer a match or a certain percentage to be added to an employee’s retirement savings account. This could be considered “free” money, which is also counted as part of your total compensation.

**Determine which employee has the “best” benefits, below.**

- Each day of Paid Time Off (PTO) has a value of .4% of the rate of pay.
- The weekly premium for insurance (life, health, dental, and vision) is $145.
- The retirement plan has identical value for both employees in this exercise.

**Employee A** is paid an hourly rate of $30. He is paid for 6 holidays, 5 vacation days, and 3 days’ sick leave. His employer contributes 50% toward the cost of his insurance.

**Employee B** is paid an hourly rate of $28.50. She is paid for 10 holidays, 10 vacation days, and no sick leave. Her employer contributes 80% toward the cost of her insurance.

**Applying for a job (pre-hire)**

Several documents are required from a prospective employee prior to being hired by a company. These include: a job application, a résumé, a cover letter, a references page, and a letter of recommendation. A **job application** is a form that you fill in with your name, contact information, education, and work history for employers. A paper application or completion of an online application will be specified in the job advertisement.
Today, most employers require a résumé, which is a detailed document that includes the same information as an application (but in paragraph form) with more detail.

A cover letter/letter of application should be included with your résumé specifically mentioning the position you are applying for, how you found out about the job, and how your unique education, experience, and related skills will benefit the company. Address the cover letter to the company and to the appropriate department manager. (Call the company’s Human Resources Department if you are unsure where to send the résumé.) It’s imperative to include your telephone number, so you may be reached for further information or to schedule an interview.

A references page is a separate sheet listing 3-5 professional references. A professional reference is an individual (not a family member) who can answer questions about your previous work history. If you have never been employed, include a teacher, a counselor, a club sponsor, and any other adult who can vouch for your character and positive traits. Be sure to include complete and accurate contact information (including full name, address, phone number, and email address) for each reference. Your references might be asked about your attendance habits, the amount and quality of work you’ve produced, and your work ethic. NEVER list someone as a reference without asking their permission.

Letters of recommendation are written references that provide information about your work qualities and performance from the eyes of a previous employer. Hiring managers appreciate the honesty of an effective letter of recommendation, as past performance may be a strong indicator of future performance at their company. When leaving a company, always ask your supervisor to provide you with a letter of recommendation.

Frequency of pay

How often a company pays its employees varies widely ranging from once a week, to bi-weekly (every two weeks), to semi-monthly (twice a month), or to monthly (once per month). An employee working 40 hours per week is usually considered a full-time employee. On an annual (yearly) basis, the amount of pay is not affected by the frequency of pay. The most important factor to consider with respect to frequency of pay is your ability to budget. You must create a budget that matches the pay cycle. You must also stick to your budget and pay your bills on time to prevent late fees and penalties.
Life Smarts:

1. Complete an employment application

<table>
<thead>
<tr>
<th>APPLICANT INFORMATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Name</td>
<td>First</td>
</tr>
<tr>
<td>Street Address</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>State</td>
</tr>
<tr>
<td>Phone</td>
<td>Email Address</td>
</tr>
<tr>
<td>Date Available</td>
<td>Social Security No.</td>
</tr>
</tbody>
</table>

Position Applied for

- Are you a citizen of the United States? YES NO
  If no, are you authorized to work in the U.S? YES NO

- Have you ever worked for this company? YES NO
  If so, when?

- Have you ever been convicted of a felony? YES NO
  If yes, explain?

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High School</td>
<td>Address</td>
</tr>
<tr>
<td>From</td>
<td>To</td>
</tr>
</tbody>
</table>

- College
  Address
  From | To | Did you graduate? | YES NO | Degree |

- Other
  Address
  From | To | Did you graduate? | YES NO | Degree |

<table>
<thead>
<tr>
<th>REFERENCES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Please list three professional references.</td>
<td></td>
</tr>
</tbody>
</table>

Full Name | Relationship |
| Company | Phone ( ) |
| Address |

Full Name | Relationship |
| Company | Phone ( ) |
| Address |

Full Name | Relationship |
| Company | Phone ( ) |
| Address |
### PREVIOUS EMPLOYMENT

<table>
<thead>
<tr>
<th>Company</th>
<th>Phone ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Supervisor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Starting Salary $</th>
<th>Ending Salary $</th>
</tr>
</thead>
</table>

Responsibilities

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Reason for Leaving</th>
</tr>
</thead>
</table>

May we contact your previous supervisor for a reference?  YES  NO

<table>
<thead>
<tr>
<th>Company</th>
<th>Phone ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Supervisor</td>
</tr>
</tbody>
</table>

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<th>Job Title</th>
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</tr>
</thead>
</table>

Responsibilities

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Reason for Leaving</th>
</tr>
</thead>
</table>

May we contact your previous supervisor for a reference?  YES  NO

### MILITARY SERVICE

<table>
<thead>
<tr>
<th>Branch</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Rank at Discharge</th>
<th>Type of Discharge</th>
</tr>
</thead>
</table>

If other than honorable, explain:

### DISCLAIMER AND SIGNATURE

I certify that my answers are true and complete to the best of my knowledge.

If this application leads to employment, I understand that false or misleading information in my application or interview may result in my release.

Signature  Date
Life Smarts:

2. Write a cover letter/letter of application.

Sample Cover Letter/Letter of Application

right and left – 1”

Date

4 spaces

Name of Contact
Title of Contact
Name of Business
Address
City, State, Zip Code

Dear (Name of Contact):

First paragraph:
What is your name?
What is your grade level and when will you graduate? What is the job you are applying for?
How did you learn about the job opening?

Second paragraph:
What work experience do you have?
What are some of the classes you are taking? What activities/clubs are you involved in?
How will the activities described above help you in the job you are applying for?

Third paragraph:
Why would you make a good employee for this company?
Indicate that you have enclosed your resume for their review.
Ask the business to consider you for this job.
Indicate you are looking forward to hearing from them and include how to contact you.
Thank them for their time and consideration.

Sincerely,

First and Last Name

Enclosure
Life Smarts:

3. Write a résumé

Sample Résumé

Tamisha Sanchez

Objective
To obtain an entry-level position at a financial institution

Education
Valley High School 1505 Candelaria Rd NW 87107 Albuquerque, NM
Target Date of Graduation: May 2010
Courses of Study: Pre-Calculus, English 12 AP, Spanish 3, Business Law

Albuquerque Academy 6400 Wyoming Blvd. NE 87109 Albuquerque, NM
Attended: June/July 2006 and 2007
Courses of Study: Spanish, Computer Applications, Keyboarding

Career Enrichment Center 807 Mountain Rd NE 87102 Albuquerque, NM
Attended: Fall 2009- Spring 2010
Courses of Study: Money Success Power

Work Experience and Work Duties
Valley High School 1505 Candelaria Rd NW 87107 Albuquerque, NM
August 2006
Duties Performed: Car washing

Holy Family Church 562 Alvarado Dr. SW 87105 Albuquerque, NM
April 2008
Duties Performed: Food serving and clean up

Extracurricular Activities
MESA, Academy Senate
Fall 2009- Spring 2010

Special Skills
Spanish, Computer, Keyboarding, Microsoft Word, PowerPoint, Excel, Publisher

References
Available upon request
Employment paperwork (post-hire)

After you have accepted a job position, you will be asked to fill out standard forms required by all U.S. employers (in addition to specific company paperwork). The most common forms required are:

- **W-4** – This is a federal tax form that calculates how much tax should be withheld from a paycheck. The amount depends on the number of people in the household and the employee’s expected filing status for the year.

Life Smarts:
4. Fill out a W-4 form

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![W-4 Form](image-url)
• I-9 (The Employment Eligibility Verification Form) – This is a federal form required by the U.S. Citizenship and Immigration Services. This form is used by an employer to verify an employee's identity and to establish that a worker is eligible to accept employment in the United States. Specific and sometimes multiple forms of identification may be required (see page 2 of the sample I-9 form below).

Life Smarts:
5. Fill out an I-9 Form

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**Employee Smarts**

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**Employment Eligibility Verification**

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

★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.)

<table>
<thead>
<tr>
<th>Last Name (Family Name)</th>
<th>First Name (Given Name)</th>
<th>Middle Initial</th>
<th>Other Names Used (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address (Street Number and Name)</td>
<td>Apt. Number</td>
<td>City or Town</td>
<td>State</td>
</tr>
<tr>
<td>Date of Birth (mm/dd/yyyy)</td>
<td>U.S. Social Security Number</td>
<td>E-mail Address</td>
<td>Telephone Number</td>
</tr>
</tbody>
</table>

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:__________________________

2. Form I-94 Admission Number:__________________________

3-D Barcode

Do Not Write in This Space

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)

Signature of Employee:_____________________________________

Date (mm/dd/yyyy):________________________

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## LISTS OF ACCEPTABLE DOCUMENTS

All documents must be UNEXPIRED

Employees may present one selection from List A
or a combination of one selection from List B and one selection from List C:

<table>
<thead>
<tr>
<th>LIST A</th>
<th>Documents that Establish Both Identity and Employment Authorization</th>
<th>LIST B</th>
<th>Documents that Establish Identity</th>
<th>LIST C</th>
<th>Documents that Establish Employment Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. U.S. Passport or U.S. Passport Card</td>
<td>OR</td>
<td>1. Driver's license or ID card issued by a State or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>1. A Social Security Account Number card, unless the card includes one of the following restrictions: (1) NOT VALID FOR EMPLOYMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)</td>
<td>2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>(2) VALID FOR WORK ONLY WITH INS AUTHORIZATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa</td>
<td>3. School ID card with a photograph</td>
<td>(3) VALID FOR WORK ONLY WITH DHS AUTHORIZATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Employment Authorization Document that contains a photograph (Form I-766)</td>
<td>4. Voter's registration card</td>
<td>2. Certification of Birth Abroad issued by the Department of State (Form FS-545)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. For a nonimmigrant alien authorized to work for a specific employer because of his or her status:</td>
<td>5. U.S. Military card or draft record</td>
<td>3. Certification of Report of Birth issued by the Department of State (Form DS-1350)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Foreign passport, and</td>
<td>6. Military dependent's ID card</td>
<td>4. Original or certified copy of birth certificate issued by a State, county, municipal authority, or territory of the United States bearing an official seal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Form I-94 or Form I-94A that has the following:</td>
<td>7. U.S. Coast Guard Merchant Manner Card</td>
<td>5. Native American tribal document</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) The same name as the passport, and</td>
<td>8. Native American tribal document</td>
<td>6. U.S. Citizen ID Card (Form I-197)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) An endorsement of the alien's nonimmigrant status as long as that period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the form</td>
<td>9. Driver's license issued by a Canadian government authority</td>
<td>7. Identification Card for Use of Resident Citizen in the United States (Form I-179)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I-94 or Form I-94A indicating nonimmigrant admission under the Compact of Free Association Between the United States and the FSM or RMI</td>
<td>10. School record or report card</td>
<td>8. Employment authorization document issued by the Department of Homeland Security</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Clinic, doctor, or hospital record</td>
<td>12. Day-care or nursery school record</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- Timecards – Hourly employees are required to complete a timecard for each pay period. Timecards are submitted manually or electronically to a supervisor for review and approval.

**ABC COMPANY - Time Report**

<table>
<thead>
<tr>
<th>Date</th>
<th>Mon. Reg</th>
<th>Mon. OT</th>
<th>Tue. Reg</th>
<th>Tue. OT</th>
<th>Wed. Reg</th>
<th>Wed. OT</th>
<th>Thu. Reg</th>
<th>Thu. OT</th>
<th>Fri. Reg</th>
<th>Fri. OT</th>
<th>Sat. Reg</th>
<th>Sat. OT</th>
<th>Sun. Reg</th>
<th>Sun. OT</th>
<th>Total Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Holiday</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Signature

Employee: [Name]

Date: [Date]

Supervisor: [Name]

- W-2 – A federal tax form issued by employers stating how much an employee was paid and specific deductions for the year. Employers mail this to employees in January.
Understanding your paycheck

The graphic below represents a typical paycheck. There are several computations to be made by an employer to determine take-home pay. Most companies use software that makes the computations for them. A few of the typical paycheck deductions are shown below:

<table>
<thead>
<tr>
<th>Current Pay = Rate x Hours</th>
<th>Overtime Pay = (Rate x 1.5) x Hours</th>
<th>OASDI is Social Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,020.00 = $25.50 x 40 hours</td>
<td>$248.63 = (25.50 x 1.5) x 6.5 Hours</td>
<td>Employees pay 6.2% of their pay into Social Security</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OASDI = Total Earnings x 6.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$78.66 = $1,268.63 x 6.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period</th>
<th>Check #</th>
<th>John Doe</th>
<th>ABC Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Begin</td>
<td>End</td>
<td></td>
<td>1234 Main Street</td>
</tr>
<tr>
<td>02/18/2013</td>
<td>02/24/2013</td>
<td>#1234</td>
<td>Anywhere, USA</td>
</tr>
<tr>
<td>03/01/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earnings</th>
<th>Deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td><strong>Location/Job</strong></td>
</tr>
<tr>
<td>Regular</td>
<td></td>
</tr>
<tr>
<td>Overtime</td>
<td></td>
</tr>
<tr>
<td>Holiday</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Earnings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Direct Deposits</td>
</tr>
<tr>
<td></td>
<td>NET PAY</td>
</tr>
</tbody>
</table>

Net Pay = Total Earnings – Current Deductions
$1,050.51 = $1,268.63 - $218.12

Employees are required to pay federal and state taxes each pay period. These amounts are based on the W-4 that you filled out when you were hired.

Employees pay 1.45% of their total pay into Medicare
Medicare = $1,268.63 x 1.45%
$18.40 = $1,268.63 x 1.45%
Life Smarts

6. Paycheck Computations

Verify that your paycheck is correct.
You make $11.50 per hour. You worked 40 hours. Your Federal Withholding is $46, and the State Withholding is $8.50.

\[
\text{Compute Total Earnings} = 460.00 \ (11.50 \times 40) \\
\text{Compute OASDI (Social Security)} = 28.52 \ (.062 \times 460.00) \\
\text{Compute Medicare} = 6.67 \ (.0145 \times 460.00) \\
\text{Compute Net Pay} = 370.31 \ (460.00 - 46.00 - 8.50 - 28.52 - 6.67)
\]

Answer the following questions:

1. Brainstorm about financial planning. What is it and why is it important? After thinking about it, write out short- and long-term goals to achieve your dream career.

2. List a minimum of five strengths and five weaknesses about yourself. Get an opinion on them from someone who knows you well.
3. Write a five-sentence paragraph explaining why you would make a good employee.

4. Go to [http://www.bls.gov/ooh/](http://www.bls.gov/ooh/) to research three careers and gather the following information about each. Evaluate this information pertaining to your future goals.

   Career:

   Median Pay:

   Entry-level Education:

   Work Experience in a Related Occupation:

   On-the-job Training:

   Number of Jobs