

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

APPLICANT INFORMATION				
Last Name		First		M.I. Date
Street Address			Apartment/Unit #	
City		State		ZIP
Phone		Email Address		
Date Available		Social Security No.		Desired Salary
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? If so, when?		YES	NO	
Have you ever been convicted of a felony? If yes, explain?		YES	NO	

EDUCATION				
High School				
From		To		Address
Did you graduate?		YES	NO	Degree
College				
From		To		Address
Did you graduate?		YES	NO	Degree
Other				
From		To		Address
Did you graduate?		YES	NO	Degree

REFERENCES	
Please list three professional references.	
Full Name	Relationship
Company	Phone ()
Address	
Full Name	Relationship
Company	Phone ()
Address	
Full Name	Relationship
Company	Phone ()
Address	

PREVIOUS EMPLOYMENT

Company				Phone ()	
Address				Supervisor	
Job Title		Starting Salary	\$	Ending Salary	\$
Responsibilities					
From	To	Reason for Leaving			
May we contact your previous supervisor for a reference? YES NO					
Company				Phone ()	
Address				Supervisor	
Job Title		Starting Salary	\$	Ending Salary	\$
Responsibilities					
From	To	Reason for Leaving			
May we contact your previous supervisor for a reference? YES NO					
Company				Phone ()	
Address				Supervisor	
Job Title		Starting Salary	\$	Ending Salary	\$
Responsibilities					
From	To	Reason for Leaving			
May we contact your previous supervisor for a reference? YES NO					

MILITARY SERVICE

Branch	From	To
Rank at Discharge	Type of Discharge	
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.

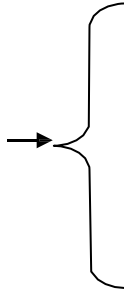
Signature	Date
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Life Smarts:

2. Write a cover letter/letter of application.

Right and Left – 1”
Sample Cover Letter/Letter of Application

12-pt. Bold



Name
Home Address City,
State Zip Code
Contact Phone Number
Email Address

Put as a header.

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

12-pt.
Font
Times
New
Roman

Life Smarts:

3. Write a résumé

Sample Résumé

5648 Main Rd SW
Albuquerque, NM 87105Phone
(505) 123-4567
Email:
TSanchez1234567@aol.com

Tamisha Sanchez

Objective	To obtain an entry-level position at a financial institution
Education	<p>Valley High School 1505 Candelaria Rd NW 87107 Albuquerque, NM <i>Target Date of Graduation: May 2010</i> <u>Courses of Study:</u> Pre-Calculus, English 12 AP, Spanish 3, Business Law</p> <p>Albuquerque Academy 6400 Wyoming Blvd. NE 87109 Albuquerque, NM <i>Attended: June/July 2006 and 2007</i> <u>Courses of Study:</u> Spanish, Computer Applications, Keyboarding</p> <p>Career Enrichment Center 807 Mountain Rd NE 87102 Albuquerque, NM <i>Attended: Fall 2009- Spring 2010</i> <u>Courses of Study:</u> Money Success Power</p>
Work Experience and Work Duties	<p>Valley High School 1505 Candelaria Rd NW 87107 Albuquerque, NM August 2006 <u>Duties Performed:</u> Car washing</p> <p>Holy Family Church 562 Atrisco Dr. SW 87105 Albuquerque, NM April 2008 <u>Duties Performed:</u> Food serving and clean up</p>
Extracurricular Activities	<p>MESA, Academy Senate Fall 2009- Spring 2010</p>
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

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

Form <b style="font-size: 2em;">W-4 Department of the Treasury Internal Revenue Service	Employee's Withholding Allowance Certificate ▶ 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 2013
1 Your first name and middle initial _____ Last name _____		2 Your social security number _____
Home address (number and street or rural route) _____		3 <input 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.
City or town, state, and ZIP code _____		4 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"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) _____		5 _____
6 Additional amount, if any, you want withheld from each paycheck _____		6 \$ _____
7 I claim exemption from withholding for 2013, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • 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 _____ ▶		7 _____
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.		
Employee's signature (This form is not valid unless you sign it.) ▶ _____		Date ▶ _____
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) _____		9 Office code (optional) _____
		10 Employer identification number (EIN) _____

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form W-4 (2013)

- 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



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 <i>(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.)</i>				
Last Name (Family Name)		First Name (Given Name)		Middle Initial
Address (Street Number and Name)		Apt. Number	City or Town	State
Date of Birth (mm/dd/yyyy)		U.S. Social Security Number	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):

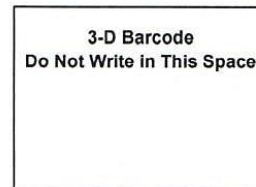
- A citizen of the United States
- A noncitizen national of the United States *(See instructions)*
- A lawful permanent resident (Alien Registration Number/USCIS Number): _____
- An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this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

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.

<p>LIST A Documents that Establish Both Identity and Employment Authorization</p>	<p>OR</p>	<p>LIST B Documents that Establish Identity</p>	<p>AND LIST C Documents that Establish Employment Authorization</p>
<p>1. U.S. Passport or U.S. Passport Card</p> <p>2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)</p> <p>3. Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa</p> <p>4. Employment Authorization Document that contains a photograph (Form I-766)</p> <p>5. For a nonimmigrant alien authorized to work for a specific employer because of his or her status:</p> <p>a. Foreign passport; and</p> <p>b. Form I-94 or Form I-94A that has the following:</p> <p>(1) The same name as the passport; and</p> <p>(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.</p> <p>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</p>		<p>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</p> <p>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</p> <p>3. School ID card with a photograph</p> <p>4. Voter's registration card</p> <p>5. U.S. Military card or draft record</p> <p>6. Military dependent's ID card</p> <p>7. U.S. Coast Guard Merchant Mariner Card</p> <p>8. Native American tribal document</p> <p>9. Driver's license issued by a Canadian government authority</p>	<p>1. A Social Security Account Number card, unless the card includes one of the following restrictions:</p> <p>(1) NOT VALID FOR EMPLOYMENT</p> <p>(2) VALID FOR WORK ONLY WITH INS AUTHORIZATION</p> <p>(3) VALID FOR WORK ONLY WITH DHS AUTHORIZATION</p> <p>2. Certification of Birth Abroad issued by the Department of State (Form FS-545)</p> <p>3. Certification of Report of Birth issued by the Department of State (Form DS-1350)</p> <p>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</p> <p>5. Native American tribal document</p> <p>6. U.S. Citizen ID Card (Form I-197)</p> <p>7. Identification Card for Use of Resident Citizen in the United States (Form I-179)</p> <p>8. Employment authorization document issued by the Department of Homeland Security</p>
		<p>For persons under age 18 who are unable to present a document listed above:</p> <p>10. School record or report card</p> <p>11. Clinic, doctor, or hospital record</p> <p>12. Day-care or nursery school record</p>	

- 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

Employee Name

Week Ending

Job#	Mon.		Tues.		Wed.		Thur.		Fri.		Sat.		Sun.		Total Hours	
	Reg.	OT	Reg.	OT	Reg.	OT	Reg.	OT	Reg.	OT	Reg.	OT	Reg.	OT	Reg.	OT
Regular																
Holiday																
Totals																

Signature

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Employee

Date

Supervisor

- 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.

22222	Void <input type="checkbox"/>	a Employee's social security number	For Official Use Only ▶ OMB No. 1545-0008		
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	
f Employee's address and ZIP code		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third party sick pay <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
		18 Local wages, tips, etc.		19 Local income tax	
				20 Locality name	

Form **W-2** Wage and Tax Statement

2013

Department of the Treasury—Internal Revenue Service

Copy A For Social Security Administration — Send this entire page with

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page

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:

Current Pay = Rate x Hours
 $\$1,020.00 = \$25.50 \times 40 \text{ hours}$

Overtime Pay = (Rate x 1.5) x Hours
 $\$248.63 = (25.50 \times 1.5) \times 6.5 \text{ Hours}$

OASDI is Social Security
 Employees pay 6.2% of their pay into Social Security
 $\text{OASDI} = \text{Total Earnings} \times 6.2\%$
 $\$78.66 = \$1,268.63 \times 6.2\%$

Period Begin	Period End	Check Date	Check #	John Doe Employee #1234		ABC Company 1234 Main Street Anywhere, USA		
02/18/2013	02/24/2013	03/01/2013	99994975					
Earnings						Deductions		
Description	Location/Job	Rate	Hours	Current	Year to Date	Description	Current	Year to Date
Regular		25.50	40.00	1,020.00	8,772.00	Federal	92.94	838.91
Overtime		38.25	6.5	248.63	2,237.67	OASDI	78.66	707.94
Holiday					408.00	Medicare	18.40	165.6
						NM	28.12	255.72
Total Earnings			46.50	1,268.63	11,417.67	Total Deductions	218.12	
			1,968.17					
NET PAY		1,050.51	Total Direct Deposits		1050.51			

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
 $\text{Medicare} = \text{Total Earnings} \times 1.45\%$
 $\$18.40 = \$1,268.63 \times 1.45\%$

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.

Compute Total Earnings = 460.00 (11.50 x 40)

Compute OASDI (Social Security) = 28.52 (.062 x 460.00)

Compute Medicare = 6.67 (.0145 x 460.00)

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/> 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