



CO Topic: Employment

Lesson Topic	Understanding Salary and Benefits
Objective	Refugees will show understanding of gross pay, taxes and other deductions, and net pay by completing and explaining a real-life math problem based on hypothetical salaries and deductions.
Lesson Time	45 minutes
Materials	<ul style="list-style-type: none">• Copies of real pay stubs, with private information removed, or mock pay stubs in different formats, showing gross pay, taxes and health insurance deductions, net pay, and leave• Whiteboard or paper• Markers
Discussion Questions	<ul style="list-style-type: none">• How were you paid when you worked in your home country?• How did you pay taxes in your home country?• Where did you keep your money in your home country?
Practice	<ol style="list-style-type: none">1. Distribute pay stubs to refugees. Help them find Gross Pay and circle it. Explain that gross pay is what you make per hour or per month, but that that amount is not what you take home because of deductions.2. Ask refugees if they know what kinds of deductions come out of gross pay. Refugees can look at the pay stub for ideas. Write them on the board. (Possible answers: federal and state taxes, Medicare, Social Security, retirement)3. Show refugees where the taxes are listed on the pay stub. Explain the different types of taxes— federal, state, perhaps county and local, Social Security, and Medicare. Explain that these taxes are mandatory and are based on how much money someone makes and how many people there are in the family.4. Using the amounts on the pay stub as an example, write the gross pay on the board and then take the refugees step by step through the deductions, subtracting the various taxes (appropriate for your area and for the refugees' salaries), ending with net pay.5. Ask refugees to explain the math problem by explaining the difference between gross pay and net pay. Have refugees circle net pay on their pay stubs.6. Provide refugees with a new pay stub but with the net pay blank or blacked out.7. Ask refugees what other deductions they see on the pay stub. (Possible answers: leave, retirement, health insurance) Highlight these items as benefits, and explain to refugees that not all jobs offer these benefits. Explain that sometimes employers offer health insurance and retirement benefits that are pre-tax deductions. Explain the difference between pre-tax and post-tax deductions.8. Have refugees calculate the net pay by subtracting the various deductions from the gross pay. If necessary, write the amounts of the gross pay and the various deductions on the board for clarity. Ask a volunteer to explain how he or she reached an answer.9. If time allows, and depending on the comprehension of refugees, another math problem could be created that includes both pre-tax deductions and post-tax deductions.10. Mention direct deposit, and explain that some employers insist on using it as a safer and more convenient way to pay. Explain that you must have a bank account to take advantage of direct deposit.