

Unit One - Taxes and Payroll Deductions

Content Area: **Business Management and Information**
Course(s):
Time Period: **Marking Period 1**
Length: **4 Weeks**
Status: **Published**

Brief Summary of Unit

The Financial Literacy course is designed to provide students with a foundational understanding of fundamental financial concepts, develop students' practical and money management skills, and instill a sense of financial responsibility and sound decision-making. The course aims to equip students with the knowledge and skills needed to make informed and responsible financial decisions throughout their lives, fostering confidence in navigating real-world financial scenarios.

This unit focuses on taxes and payroll deductions, providing students with practical insights into these essential financial aspects. Through real-world examples and hands-on activities, students will understand various taxes, the significance of payroll deductions, and how these impact their income. Students will also explore the foundational principles of risk management, coverage, and premiums as related to different types of insurance, ultimately understanding that insurance is necessary for protecting oneself from unforeseen events. The unit aims to empower students to navigate tax obligations, optimize financial planning, protect from unintended events, and make informed decisions about their finances, preparing them for future responsibilities and unintended events.

Students in Business Management and Information Systems classes develop skills that are intended to give them a competitive advantage in the workplace. Through the study of core business topics and current events, this curriculum encourages students to refine their speaking and listening skills, collaborate with their peers, and explore and research potential career paths.

This course fulfills the 2.5 credits in financial literacy coursework required by both Cranford High School and the state of New Jersey for graduation.

Revision Date: July, 2020

Standards

This unit is aligned to the English Language Development (ELD) standards for kindergarten through grade 12

since multilingual learners develop content and language concurrently, with academic content in a classroom where the language of instruction is English. As a result, language learning and language as a means for learning academic content are interchangeable. The following ELD standards are relevant for this unit and course of study:

- Standard 1: Language for Social and Instructional Purposes: English language learners communicate for social and instructional purposes within the school setting.

LA.WHST.11-12.4	Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
LA.WHST.11-12.5	Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach, focusing on addressing what is most significant for a specific purpose and audience.
LA.WHST.11-12.6	Use technology, including the Internet, to produce, share, and update writing products in response to ongoing feedback, including new arguments or information.
LA.WHST.11-12.7	Conduct short as well as more sustained research projects to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.
LA.WHST.11-12.10	Write routinely over extended time frames (time for reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of discipline-specific tasks, purposes, and audiences.
PFL.9.1.12.EG.1	Review the tax rates on different sources of income and on different types of products and services purchased.
PFL.9.1.12.EG.2	Explain why various forms of income are taxed differently.
PFL.9.1.12.EG.3	Explain how individuals and businesses influence government policies.
PFL.9.1.12.EG.4	Explain the relationship between your personal financial situation and the broader economic and governmental policies.
PFL.9.1.12.EG.6	Analyze the rights and responsibilities of buyers and sellers under consumer protection laws.
PFL.9.1.12.FI.1	Identify ways to protect yourself from identify theft.
PFL.9.1.12.FI.2	Explain ways to manage your accounts that maximize benefits and provide you with the utmost protection.
PFL.9.1.12.FI.3	Develop a plan that uses the services of various financial institutions to prepare for long term personal and family goals (e.g., college, retirement).
PFL.9.1.12.FI.4	Research benefits and drawbacks of products offered by financial and non-financial companies (e.g., banks, credit unions, check-cashing stores, product warranty insurance).
PFL.9.1.12.FP.1	Create a clear long-term financial plan to ensure its alignment with your values.
PFL.9.1.12.FP.2	Explain how an individual's financial values and goals may change across a lifetime and the adjustments to the personal financial plan that may be needed.
PFL.9.1.12.FP.7	Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions (e.g., print information, prospectus, certified financial planners, internet, sales representatives, etc.).
PFL.9.1.12.PB.4	Explain how you would revise your budget to accommodate changing circumstances.
PFL.9.1.12.PB.5	Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.
PFL.9.1.12.RM	Risk Management and Insurance

PFL.9.1.12.RM.1	Describe the importance of various sources of income in retirement, including Social Security, employer-sponsored retirement savings plans, and personal investments.
PFL.9.1.12.RM.2	Identify types of investments appropriate for different objectives such as liquidity, income, and growth.
PFL.9.1.12.RM.3	Compare the cost of various types of insurance (e.g., life, homeowners, motor vehicle) for the same product or service, strategies to lower costs, and the process for filing an insurance claim.
PFL.9.1.12.RM.4	Determine when and why it may be appropriate for the government to provide insurance coverage rather than private industry.
PFL.9.1.12.RM.5	Explain what self-insuring is and determine when it is appropriate.
PFL.9.1.12.RM.6	Differentiate the costs benefits and features (e.g., riders, deductibles, umbrella policies) of renter's and homeowner's insurance.
PFL.9.1.12.RM.7	<p>Evaluate individual and family needs for insurance protection using opportunity -cost analysis to determine if the amount of protection is adequate or over -insured.</p> <p>There are ways to manage your accounts that provide you with maximum benefits and protection.</p> <p>The ability to assess external information is a necessary skill to make informed decisions aligned to one's goals.</p> <p>To be fiscally responsible, an individual's finances should align with his or her values and goals.</p> <p>There are different ways you can influence government policy to improve your financial situation.</p> <p>Tax rates vary based on your financial situation.</p> <p>A person's tolerance for investment risk can change depending on factors such as life circumstances, financial goals, and economic conditions.</p> <p>There are agencies, laws, and resources to protect you as a consumer.</p> <p>Philanthropic, charitable, and entrepreneurial organizations play distinctly different but vitally important roles in supporting the interests of local and global communities.</p> <p>The potential for building and using personal wealth includes responsibility to the broader community and an understanding of the legal rights and responsibilities of being a good citizen.</p> <p>There are factors you can use to select financial institutions and professionals that are best suited for your needs.</p> <p>Different types of insurance have different costs and protections.</p>

Essential Questions/Enduring Understandings

Essential Questions:

- Why do businesses withhold money from our paychecks and how is that money used to benefit citizens?
- What are examples of both mandatory and voluntary payroll deductions?
- Why is it imperative to have insurance?

Enduring Understandings:

- All employees are required to pay their share of taxes to pay for local, state, and federal programs.
- While some deductions are mandatory, other deductions are voluntary and help shape a healthy and secure financial future.

Objectives

Students will know:

- Where income taxes are collected from and how they provide revenue for public expenses.
- The difference between gross and net pay.
- How employers withhold and remit taxes.
- The purpose of a W-4 form and how it impacts their paycheck.

- The fundamental principles of insurance, including the concepts of risk, coverage, and premiums

- The various types of insurance available, such as health insurance, auto insurance, and homeowner's insurance

Students will be skilled at:

- How to read a pay stub and describe the different deductions which may be listed.
- Completing a W-2 form.
- How to complete a W-4 form for his/her employer.
- How to calculate the difference between gross and net pay.
- How to use the information listed on a W-2 form for completing a tax return to the Internal Revenue Service.
- Identifying the difference between mandatory and voluntary deductions.

- Comparing and contrasting insurance options to identify the most suitable coverage for different life situations

Learning Plan

The learning plan includes, but is not limited to the following:

- I. Use Next Gen Financial Literacy (NGFL) Question of the Day.
- II. Show short video, "If Paychecks Could Talk." Discuss the mandatory deductions described in the video.
- III. Provide students with a sample pay stub. Pair/share activity - students will analyze and describe the deductions listed.
- IV. Math practice: students will calculate deductions for example payroll.
- V. Interactive: Reading a pay stub - <http://www.tv411.org/finance/earning-spending/reading-pay-stub/activity/1/1>
- VI. Complete the Edpuzzle on gross versus net pay:
<https://edpuzzle.com/media/5c1838585c0e2640f16a13f0>
- VII. Complete the Interactive, "Your Federal Income Tax Receipt:"
<https://www.nationalpriorities.org/interactive-data/taxday/>
- VIII. Move! Your Tax Dollars in Action (kinesthetic learning activity):
<https://docs.google.com/document/d/1jbWinG8OzhbeW0WVBojH30NOIJXAs8ZB8xHtNnw2Pmc/edit>
- IX. Read the article from Time Magazine, "Are Taxes Fair?" <https://time.com/62256/are-taxes-fair-if-you-answer-yes-youre-probably-poor/> Students will summarize this article and describe the 3 "big ideas" from it.
- X. 4 Corners Exercise: Put Social Security, FUTA, Medicare, and Federal Income Tax on sheets of paper in the corners of the room. Do students strongly agree, somewhat agree, strongly disagree or somewhat agree on paying for each? Debate.
- XI. Demonstrate and discuss how to complete a W-4 form, then provide students with blank W-4 forms for students to complete.

Note: Other strategies to address the learning objectives may include, but are not limited to direct instruction, self and peer review, think-pair-share activities, creating visual representations film analysis, Socratic seminars, small group discussions, simulations, jigsaw activities, gallery walks, web quests, and/or inquiry or problem based learning projects.

Assessment

When taking a Business course, students demonstrate differentiated proficiency according to their ability to answer the essential questions through formative and summative assessments. Many of the performance tasks below can be implemented as formative and/or summative assessments. As teachers strive for students to demonstrate proficiency, they will need to create additional or alternative assessments based on demonstration or absence of skill.

Formative Assessments:

- Exit Tickets/On-going checks for understanding
- Written assessment - vocabulary - Students will be provided with vocabulary terms to match with appropriate definitions.

Summative Assessments:

- "The Fine Print" Assessment - Students will analyze a W-4 form
- Written assessment - Students will be given a case study to determine if students can identify what payroll deductions have been taken and how that money is used. (formative assessment)

Alternate Assessment:

- Create a graphic organizer illustrating both mandatory and voluntary payroll deductions and how they are used

Benchmark Assessment:

- Analysis and explanation of key payroll deduction forms

Materials

The design of this course allows for the integration of a variety of instructional, supplemental, and intervention materials that support student learners at all levels in the school and home environments. Associated web content and media sources are infused into the unit as applicable and available. In addition to the materials below, the following link connects to district approved textbooks and resources utilized in this course: [Core Book List](#)

The following is a list of approved resources for this unit:

[CALCULATE: Completing a 1040](#)

[PLAY: Should They File a Tax Return?](#)

[MOVE: Your Tax Dollar in Action](#)

[COMPARE: Tax Forms and their Purpose](#)

[RESEARCH: The Tax Cycle](#)

[CALCULATE: What Affects How Much We Pay in Taxes?](#)

[FINE PRINT: W-4 Form](#)

[FINE PRINT: W-2 Form](#)

[CASE STUDY: W-2, W-4, Refunds, Oh My!](#)

[COMPARE: Car Insurance Comparison Shopping](#)

[INTERACTIVE: Bummer!](#)

[PLAY: Will Their Auto Insurance Premium Change?](#)

[PLAY: Types of Car Insurance](#)

[COMPARE: Types of Health Insurance Plans](#)

[MOVE: What Determines Your Insurance Premium?](#)

[RESEARCH: Insurance in Your State](#)

[PROJECT: Introducing Insurance - You Be The Teacher](#)

Any additional resources that are not included in this list will be presented to and reviewed by the supervisor before being included in lesson plans. This ensures resources are reviewed and vetted for relevance and appropriateness prior to implementation.

Modifications

This link includes content specific accommodations and modifications for all populations:

<https://docs.google.com/spreadsheets/d/1g8M7CZ5VVwvFk2Ay9DZbjdewOYDyNOzpNeEBgSXPvr0/edit?u>

[sp=sharing](#)

These additional strategies are helpful when learning Business Management and Information Systems content and skills:

- Highlighter for close reading and annotation strategies
- Bolded terms in directions
- Reading texts aloud for students to assist in comprehension and analysis
- Providing opportunities for text-to-speech for written responses.
- Using visual presentations of all materials and including graphic organizers when possible.

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