EVERFI®

Lesson Plan

# Beginning Employment

20 minutes

**Prerequisite:** Digital Lesson–Beginning Employment

## INSTRUCTIONS

Each digital lesson is supplemented with a follow-up synchronous lesson plan to extend and reinforce learning. Activities and questions are structured in a way that supports both in-person and virtual classroom settings.

## OBJECTIVES

*Students will be able to…*

- Explain the content and purpose of standard tax forms related to starting employment.
- Differentiate between gross, net, and taxable income.
- Recognize the value of participating in employer-sponsored benefits and retirement plans.

## MATERIALS

In-Person Lesson

- Paper
- Writing utensils
- Understanding Pay Stubs student activity

Virtual Lesson

- Computer
- Understanding Pay Stubs student activity

## STANDARDS ADDRESSED

*2021 Jump$tart National Standards for Personal Finance*

- Earning Income 12-7c. Differentiate between gross, net, and taxable income.
- Earning Income 12-9a. Complete IRS Form W-4.
- Earning Income 12-10c. Explain the importance of participating in employer-sponsored retirement plans, when available, and contributing enough to qualify for the maximum employer match.
- Saving 12-7a. Explain how an employer match of employee contributions to its retirement plan provides an incentive for employees to save.
- Savings 12-7b. Compare the impact of employee "opt in" of employer retirement plans and explain why it makes a difference.
- Savings 12-7c. Describe the pros and cons of saving through an employer retirement plan as compared to saving outside of an employer plan.

| SECTION | DESCRIPTION | FORMAT | DURATION |
|---|---|---|---|
| **Discussion** | Ask students the following questions:<br>• "How many of you have a part-time job?" (Answers will vary.)<br>• "How do you feel about taxes being taken out of paychecks?"<br>Wait for responses and discuss in the group.<br><br>Say: "Today we will learn more about the W-4 and why it is important to fill it out correctly. The W-4 is a government tax form that you fill out when you start a new job. You need to complete a W-4 form so that your employer can withhold the correct federal income tax from your pay." | Virtual: Ask students to answer using the chat feature.<br><br>Show an image of a W-4 on the screen.<br><br>In-Person: Write the questions on the board.<br><br>Show students an image of a W-4. | 3 mins |
| **Activity: Understanding Pay Stubs** | Have students watch a video to learn more about the importance of the W-4.<br><br>After students watch the video, ask them the following questions:<br>• "How often do you need to fill out a W-4?"<br>• "What happens if you fill out a W-4 incorrectly?"<br>Have students read and fill out the **Understanding Pay Stubs** worksheet.<br><br>After five minutes, review the answers with students.<br>**Answers:**<br>*1. Gross pay is what employees earn before taxes and other benefits. Net pay is the pay you receive after these taxes and benefits are taken out of your paycheck.*<br>*2. Maya's net pay is $3,103.73 and her gross pay is $4,125.00. 3. Maya has paid $1,462.54 in taxes this year.* | Virtual: Provide students with the link to the video.<br><br>In-Person: Show the video on the screen for the class to view.<br>Virtual: Send the worksheet to students virtually. Ask students to access the worksheet and direct them to either fill it out online or print it and fill out.<br><br>In-Person: Distribute the **Understanding Pay Stubs** worksheet to students. | 15 mins |
| **Exit Ticket** | Ask students: "How will you apply this knowledge about W-4s and paychecks to your next job?" | Virtual and In-Person: Ask verbally. | 2 mins |