# Understanding Your Paycheck & Benefits

*Know what you earned, what changed it, and what your benefits may include.*

Your paystub is a record of how your pay was calculated. Your benefits are part of your total employment package—even when they do not appear as cash in your deposit.

**How to use:** Learn the paycheck words in Step 1 and walk through the example in Step 2. Then use Steps 3–6 to understand your own benefits and paycheck.

## STEP 1 Start with these paycheck words

**Pay period**
The dates this paycheck covers.

**Gross pay**
What you earned before taxes and other deductions.

**Net pay**
What is left after deductions—often the amount deposited or paid to you.

**Hours and rate**
The hours and pay rate used to figure your earnings. Salaried paystubs may look different.

**Taxes and withholding**
Required amounts may include federal, Social Security, Medicare, and state or local taxes where they apply.

**Other deductions**
Examples include insurance, retirement contributions, or other approved or required deductions.

## STEP 2 Walk through an example

| SAMPLE PAYSTUB (FICTIONAL) | AMOUNT |
|---|---|
| **Gross pay** | **$720.00** |
| Taxes and required withholding | − $125.00 |
| Health plan deduction | − $25.00 |
| Retirement contribution | − $15.00 |
| **Net pay (what you take home)** | **$555.00** |

This example is only for learning. Real deductions vary by person, employer, location, and benefit choices.

# Benefits: Learn the Words Before You Choose

*Benefits differ from employer to employer. Always use your employer's plan documents and enrollment materials for the details that apply to you.*

## STEP 3 Benefit words to know

**Premium**
What you pay for insurance coverage, often through payroll deductions.

**Deductible**
An amount you may need to pay for covered care before a plan begins paying certain costs.

**Copay or coinsurance**
Ways you may share the cost of covered health care.

**PTO**
Paid time off. Rules for earning, using, and carrying it over vary by employer.

**Retirement plan**
A workplace savings plan such as a 401(k). Some employers add money or match under plan rules.

**Eligibility and enrollment**
When you can start a benefit, and the deadline for making your choices.

## STEP 4 Other benefits you may see

Check the ones your employer offers.

- [ ] Life insurance
- [ ] Short-term or long-term disability coverage
- [ ] Employee assistance program (EAP)
- [ ] Flexible or health savings accounts
- [ ] Tuition, wellness, transportation, or other programs

> **Important:** Do not assume you can enroll at any time. Some benefits have enrollment windows or waiting periods.

## STEP 5 Questions to ask and things to check

- [ ] What is my regular pay rate or salary, and what is my pay schedule?
- [ ] How are my hours recorded or approved?
- [ ] If overtime applies to my position, how is it shown and when is it paid?
- [ ] Which deductions are required, and which did I choose?
- [ ] When am I eligible for benefits?
- [ ] What enrollment deadline do I need to remember?
- [ ] Where can I find my plan documents or benefit summaries?
- [ ] Who should I contact if something on my paycheck looks wrong?

## STEP 6 My paycheck and benefits notes

**NEXT STEP:** Save your paystubs and benefit confirmations. If you do not understand something, ask HR or payroll rather than guessing.

**Up next:** Resource 12 — Your First 30 Days at Work

*Educational resource only. Thrive Forward does not guarantee employment, interviews, job placement, or specific workplace outcomes.*