



# Show Me the Money

It costs you, the employer, more to employ someone than just their wages. By law, employers must pay a portion of an employee’s Social Security and Medicare taxes, as well as Federal and State unemployment taxes and Workers’ Compensation. The amount you pay for each of these is a percentage of your employees’ wage, and are as follows:

Social Security	6.20%
Medicare	1.45%
Federal Unemployment	0.60%
State Unemployment	2.70%
Workers’ Compensation	<u>2.57%</u>
<b>Total</b>	<b>13.52%</b>

What this means is that for every \$1.00 you pay in wages; you must add approximately 14 cents to pay for taxes and Workers’ Compensation. Acumen calls this the “Cost to Budget,” and we calculate and pay these amounts from your budget allocation on your behalf.

Simply fill in the blanks below to calculate the “Cost to Budget”

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Employee Wage		Taxes & Workers’ Comp		Cost to Budget (always round <u>up</u> )

The tables below are provided to help you estimate the cost to employ someone. The examples show a variety of wage amounts. The “Cost to Budget” column shows the wage multiplied by 1.1352. You can pay your employee an amount other than one listed below – just multiply the wage you want to pay by 1.1352, round up to the nearest penny, and you’ll have the “Cost to Budget”.

Use the **AL ADMH Service Code Descriptions** document to find the maximum amount you can pay your employee for each service they are providing. Funds that are not used will be moved into your Savings Fund service code.

Employee Wage	Cost to Budget
\$7.25	\$8.23
\$8.00	\$9.09
\$8.50	\$9.65
\$9.00	\$10.22
\$9.50	\$10.79
\$10.00	\$11.36
\$10.50	\$11.92

Employee Wage	Cost to Budget
\$11.00	\$12.49
\$11.50	\$13.06
\$12.00	\$13.63
\$12.50	\$14.19
\$13.00	\$14.76
\$13.50	\$15.33
\$14.00	\$15.90

Employee Wage	Cost to Budget
\$14.50	\$16.46
\$15.00	\$17.03
\$15.50	\$17.60
\$16.00	\$18.17
\$16.50	\$18.73
\$17.00	\$19.30
\$17.50	\$19.87

Employee Wage	Cost to Budget
\$18.00	\$20.44
\$18.50	\$21.01
\$19.00	\$21.57
\$19.50	\$22.14
\$20.00	\$22.71
\$20.50	\$23.28
\$21.00	\$23.84