

Show Me the Money

It costs you, the employer, more to employ someone than just their wages. By law, employers need to pay a half of an employee's Social Security payment, as well as Medicare and Federal and State unemployment taxes. Workers' Compensation Insurance is part of your program, and is also an employer-related cost. Acumen calls these employer-related costs the "Cost to You."

What this means is that for every \$1.00 you pay in wages, you must add approximately 13 cents to pay for taxes and Workers' Compensation. The "Cost to You" is simply the employee's wage multiplied by **1.138** (the 13 cents per dollar mentioned above). Acumen calculates and pays these taxes and Workers' Compensation on your behalf. This Show Me the Money form is a tool you can use to calculate the "Cost to You."

Simply fill in the blanks below to determine the "Cost to You"

	X	1.138	=	
Employee Wage		Taxes & Workers' Comp		Cost to You (always round <u>up</u>)

The table below is provided to help you estimate your cost to employ someone. The examples show a variety of wage amounts. The "Cost to You" column shows the wage multiplied by 1.138. You can pay your employee an amount other than one listed below, as long as the wages are within the state's funding parameters and are at least minimum wage. Multiply the amount you want to pay by **1.138**, round up to the nearest penny, and you'll have the Cost to You. The exact cost may be slightly different, but this will give you an estimate.

Sample Wage 1	\$7.25	\$8.26
Sample Wage 2	\$7.50	\$8.54
Sample Wage 3	\$7.90	\$9.00
Sample Wage 4	\$8.50	\$9.68
Sample Wage 5	\$9.00	\$10.25
Sample Wage 6	\$9.25	\$10.53
Sample Wage 7	\$9.50	\$10.82
Sample Wage 8	\$9.75	\$11.10