

CASH COURSE WORKSHEET

Know Your Tax Forms: W-2s & W-4s Quiz



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1. Match the definition in Column A with the term in Column B.

Column A

- _____ A person financially supported by another
- _____ To deduct or take out, especially for taxes
- _____ Charge for spending more money than available
- _____ Deducts money directly from a bank account
- _____ Allows borrowing money up to a limit

Column B

- a. Dependent
- b. Refund
- c. W-4 form
- d. W-2 form
- e. Withhold

2. Which of the following statements best describes the difference between a W-2 form and a W-4 form?

- a. A W-2 Form is filled out by the employee, while the employer fills out the W-4 form.
- b. A W-2 form and a W-4 form are both filled out by the employer to report an employee's income to the IRS.
- c. A W-2 form is a summary of annual earnings and taxes withheld provided by the employer, while the employee fills out a W-4 form to determine tax withholding.
- d. A W-2 form and a W-4 form are both used by the employee to file their annual tax return.

3. What action can you take to manage future withholdings and possibly increase your tax refund?

- a. File a new W-4 form.
- b. File a new W-2 form.
- c. File a complaint with your employer.
- d. There is nothing you can do.

4. Who is considered a 'dependent' for tax purposes?

- a. Your pet dog
- b. Your adult neighbor
- c. Your minor child
- d. Your co-worker

5. How can you increase your credit limit responsibly?

- a. Earn less money per month.
- b. Sign up for more credit cards.
- c. Keep less money in your checking account.
- d. Earn more money per month.

Application: You have your first part-time job as a cashier for Otto's Hot Dogs, and your salary is \$8,532.49 this year. If Box 3 on your W-2 form contained the amount of \$8,532.49, and Box 4 on the W-2 had 6.2% of that amount, what is the amount in Box 4?

22222	a Employee's social security number	OMB No. 1545-0008	
b Employer identification number (EIN)		1 Wages, tips, other compensation 8532.49	2 Federal income tax withheld
c Employer's name, address, and ZIP code Otto's Hot Dogs		3 Social security wages	4 Social security tax withheld
		5 Medicare wages and tips	6 Medicare tax withheld
		7 Social security tips	8 Allocated tips
d Control number		9	10 Dependent care benefits

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Answer Key

1. Match the definition in Column A with the term in Column B.

Column A

- a. Dependent** _____ A person financially supported by another
- e. Withhold** _____ To deduct or take out, especially for taxes
- c. W-4 form** _____ Charge for spending more money than available
- d. W-2 form** _____ Deducts money directly from a bank account
- b. Refund** _____ Allows borrowing money up to a limit

Column B

- a. Dependent
- b. Refund
- c. W-4 form
- d. W-2 form
- e. Withhold

2. Which of the following statements best describes the difference between a W-2 form and a W-4 form?

c. A W-2 form is a summary of annual earnings and taxes withheld provided by the employer, while the employee fills out a W-4 form to determine tax withholding.

3. What action can you take to manage future withholdings and possibly increase your tax refund?

a. File a new W-4 form.

4. Who is considered a 'dependent' for tax purposes?

c. Your minor child

5. How can you increase your credit limit responsibly?

b. Sign up for more credit cards.

Application: You have your first part-time job as a cashier for Otto's Hot Dogs, and your salary is \$8,532.49 this year. If Box 3 on your W-2 form contained the amount of \$8,532.49, and Box 4 on the W-2 had 6.2% of that amount, what is the amount in Box 4?

The calculation would be:

Amount in Box 4 = \$8,532.49 × (6.2100) = \$8,532.49 × 0.062 = \$528.01

The amount in Box 4 would be \$528.01, representing the 6.2% of your salary that has been withheld for Social Security taxes.