

CUSTOMER SERVICE BULLETIN

Radio Shack® CUSTOMER SERVICE BULLETIN

400 Atrium—One Tandy Center, Fort Worth, Texas 76102

Bulletin No. 1556-2 (Correction 1)

Description Disk Payroll

Model Model 1

Stock No. 26-1556 NON EIC

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Problem

The way that Disk Payroll calculates FICA is correct. The Federal Government says that it should be (GROSS *.0613). The problem is in rounding.

Solution

Consider this Table:

Employee 1-Pay Times .0613 equals Subtotal	555.53 X .0613 =	34.05
Employee 2-Pay Times .0613 equals Subtotal	449.50 X .0613 =	27.55
Employee 3-Pay Times .0613 equals Subtotal	99.63 X .0613 =	6.11
Employee 4-Pay Times .0613 equals Subtotal	444.56 X .0613 =	27.25
Employee 5-Pay Times .0613 equals Subtotal	999.50 X .0613 =	61.27

Gross Payroll Times .0613 equals Total or 2548.72 X .0613 = 156.24

BUT

The Total of Each Employees FICA does not equal 156.24. It equals 156.23.

There are two ways of calculating FICA. One is to take a total sum of the gross wages of the employee and multiply it times .0613 or multiply the GROSS of each paycheck times .0613, then add those totals up to come up with the Tax. These two totals probably will not be equal due to the rounding errors involved in calculating the tax two different ways. Especially since when the employer fills out his forms it is not 2549.18 times .0613 but 2549.18 times .1226 to get the amount he owes the government.