Directions: Please answer the following questions and make sure your answer are legible. If you don’t show work and/or I can’t follow it, I won’t give partial credit. You may use a calculator (not the calculator function on other technology) and the Formula Sheet that I provide you, nothing else. Good Luck.

1. Refer to information about 2014 taxes provided.

   Jill is single with one dependent child. In 2014, she earned $53,333. She paid $4,190 in state and local taxes, paid $1045 in mortgage interest, and gave $850 to charity.

(a) (1 point) How many exemptions an Jill claim?

2

(b) (3 points) What are Jill’s total deductions?

   \[
   \text{total ded} = \frac{7900 + 6200}{2} = 14,100
   \]

(c) (1 point) What is Jill’s taxable income for 2014?

\[
53,333 - 14,100 = 39,233
\]

(d) (1 point) What tax bracket is Jill in?

25%

(e) (3 points) What is Jill’s federal income tax for 2014?

\[
\text{Fed. Inc. tax} = 5081.25 + .25(2333) = 5664.50
\]

(f) (2 points) If Jill had $194.35 withheld from her paychecks (every 2 weeks) for federal income tax in 2014, does she get a refund or does she owe money? How much is the refund/taxes owed?

\[
\text{total withholding} = 26 \cdot 194.35 = 5053.10 \text{ less than income tax (5664.50) }
\]

& Jill owes \$611.40

There is a Question on the Back

\[
5664.50 - 5053.10 = 611.4
\]
2. (2 points) Meaghan works for a company that offers 75% match on employee contributions up to 4%. If Meaghan makes $41,200 at this company, how much will be added to her retirement account this year if she contributes 3% of her salary?

\[
\begin{align*}
\text{Meaghan's Cont. + Company Cont.} & \quad 5.25\% \\
3\% & \quad 0.75 \times 3\% \\
3\% & \quad 2.25\% \\
5.25\% &
\end{align*}
\]

\[
5.25\% \times 41,200 = \$2,163
\]

3. (2 points) Jon has worked for his company for 5 years and 7 months. His contributions to his retirement plan have accumulated to $5,170.15, and his employer’s contributions have accumulated to $3,877.61. Assuming his employer uses the vesting schedule below, find Jon’s vested balance.

<table>
<thead>
<tr>
<th>Years of Service Completed</th>
<th>Vesting Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 3 years</td>
<td>0%</td>
</tr>
<tr>
<td>3 – 4 years</td>
<td>20%</td>
</tr>
<tr>
<td>4 – 5 years</td>
<td>40%</td>
</tr>
<tr>
<td>5 – 6 years</td>
<td>60%</td>
</tr>
<tr>
<td>6 – 7 years</td>
<td>80%</td>
</tr>
<tr>
<td>7+ years</td>
<td>100%</td>
</tr>
</tbody>
</table>

\[
\begin{align*}
\text{John keeps:} & \\
5,170.15 & \text{all of what he put in} \\
0.60(3,877.61) & \text{60\% of what was not vested in} \\
\end{align*}
\]

\[
\[7,496.72 \] 
\]