How to Read a Pay Stub

One-page 2026 guide with a fictional, provider-neutral example

PENNYCALC

pennycalc.com/paycheck-calculator/how-to-read-your-paycheck/

SYNTHETIC EXAMPLE

Sample earnings statement

Statement 002 of 026

1 **Sample Company | Taylor R. | Employee ID **** 1042 | Direct deposit**

2 Pay period Jan. 5-18, 2026 | Pay date Jan. 23, 2026 | Biweekly

CURRENT = THIS CHECK | YTD = CALENDAR YEAR

EARNINGS

DESCRIPTION	CURRENT	YTD
3 Salary	$2,884.62	$5,769.24
4 **Gross pay**	**$2,884.62**	**$5,769.24**

TAXABLE WAGE BASES

DESCRIPTION	CURRENT	YTD
5 Federal wages	$2,620.39	$5,240.78
6 Social Security wages	$2,764.62	$5,529.24
Medicare wages	$2,764.62	$5,529.24

WHY THE WAGE BASES DIFFER

Federal wages subtract the $120 health deduction and $144.23 traditional 401(k). FICA wages subtract the health deduction, but not the 401(k).

EMPLOYEE TAXES

DESCRIPTION	CURRENT	YTD
7 Federal withholding	$270.00	$540.00
State withholding	$92.00	$184.00
State disability or leave	$28.00	$56.00
Social Security	$171.41	$342.82
Medicare	$40.09	$80.18

EMPLOYEE DEDUCTIONS

DESCRIPTION	CURRENT	YTD
8 Health plan, pre-tax	$120.00	$240.00
Traditional 401(k), pre-tax	$144.23	$288.46
Supplemental life, post-tax	$12.00	$24.00

9 **Employer items - informational**

Health contribution $250.00 | 401(k) match $72.12
These do not reduce this employee's net pay.

10 **Net pay** **$2,006.89**

YTD $4,013.78

$2,884.62 gross - $264.23 pre-tax - $601.50 employee taxes - $12.00 post-tax = $2,006.89

10 fields to check

1. **Employer and worker** — Verify the employer, masked details, and work location.
2. **Dates** — The work period and pay date are different things.
3. **Earnings** — Add salary, hours, overtime, bonuses, and commissions.
4. **Gross pay** — Pay before employee taxes and deductions.
5. **Federal wages** — Eligible pre-tax deductions can lower this wage base.
6. **FICA wages** — Social Security and Medicare wages can differ.
7. **Employee taxes** — Do not subtract employer-paid payroll taxes.
8. **Employee deductions** — Separate pre-tax from post-tax amounts.
9. **Employer items** — Contributions and matches are usually informational.
10. **Net pay** — Every deposit split should add up to this amount.

2026 FEDERAL CHECK

Federal withholding follows Form W-4 and Publication 15-T. Social Security is 6.2% of covered wages up to $184,500. Medicare is 1.45%; an employer adds 0.9% withholding after paying one employee more than $200,000.

Eight checks before you call payroll

Expected net = gross + additions - employee taxes - employee deductions

- [ ] Confirm the employee, employer, work state, pay period, and pay date.
- [ ] Recalculate regular hours, overtime, bonuses, commissions, and gross pay.
- [ ] Compare gross pay with federal, Social Security, Medicare, state, and local taxable wages.
- [ ] Match each employee tax line with the correct wage base and YTD total.
- [ ] Match benefit and retirement deductions with your elections and plan records.
- [ ] Separate employee deductions from employer contributions and imputed income.
- [ ] Reconcile gross pay, additions, employee taxes, deductions, and displayed net pay.
- [ ] Confirm that all direct-deposit splits add up to the displayed net pay.

PROTECT YOUR PAY STUB

Mask your name, address, employee ID, account details, and employer information before sharing. The PennyCalc checker asks only for five totals and keeps them in your browser tab.

Sources: IRS Form W-4, Publication 15-T, Topic 424, Publication 15-B; SSA 2026 contribution base and payroll-tax rates. Verified Aug. 17, 2026. Fictional teaching example. Not a payroll withholding quote.

FULL GUIDE + PRIVATE CHECKER

pennycalc.com/paycheck-calculator/how-to-read-your-paycheck/