

 **BUILDING BLOCKS STUDENT WORKSHEET**

Understanding jobs, teens, and taxes

Understanding taxes is an important part of managing your money, both now and in the future. While landing your first job and getting your first paycheck can be an exciting time in your life, understanding how taxes affect your income is a major step toward growing financial knowledge and skills.

Instructions

- 1 Read the "Taxes: Understanding the basics" handout.
- 2 Use the handout information to answer the questions on the next page about teens and taxes.

Exploration questions

Match the correct answer (from the answer bank) with each question.

Answer bank (Each answer is only used once.)

- | | |
|---|-----------------------------------|
| <input type="checkbox"/> W-4 | <input type="checkbox"/> Employer |
| <input type="checkbox"/> Tax credits | <input type="checkbox"/> Refund |
| <input type="checkbox"/> Tax deductions | <input type="checkbox"/> Income |
| <input type="checkbox"/> Self | <input type="checkbox"/> 1099-NEC |



Teens and taxes

1. Teenagers usually have their taxes withheld from their paycheck by their _____.
2. When you get a job, you'll fill out a _____ tax form so that your employer withholds the correct amount from your pay.
3. If you have a job where you receive tips, you must also report that as tip _____.
4. People who are employed as independent contractors receive a _____ form that lists money paid to them.
5. One way many teenagers earn income is through _____-employment, such as babysitting or lawn care.
6. Even if you don't earn enough money to file a federal income tax return, you should still file because it might allow you to receive a tax _____.
7. You can change the amount of income tax you owe by claiming _____ and _____ on your tax return.