

Prerequisites:

- None

Lesson Goal

More and more students are working to earn income to cover both personal and college expenses. This lesson will provide basic knowledge of how income taxes work and will help the student file a basic 1040 form as well as give them good background in completing the financial information section of the FAFSA.

What should student learn from the lesson?

- Students will learn what the Pay-As-You-Go income tax system is about.
- Students will come to understand the purposes of the W-4 and W-2 forms for income tax.
- Students will learn how to complete a 1040 form for income tax.
- Students will learn about the FAFSA form and the role of income taxes.

What is the in-class activity?

- The PowerPoint will drive the lesson. It will address some of the major teaching points.
- On *Checking for Understanding* slides, ask the question and have students respond based on previous slides.
- The lesson finishes with a tax return simulation. Make sure students have a copy of the 1040 form. Walk them through the parts of the simulation using the PowerPoint.

What is the takeaway for students?

- Students will understand tax refunds and will understand why it is in their best interest to file a tax return.
- A better understanding of taxes in relation to financial aid and the FAFSA.

Materials Needed:

- PowerPoint on Income Tax
- 1040 form
- Projector
- Sample W-4
- Sample W-2