How to Pay Self-Employment and FICA Tax

Taxes · https://community.womensmoneymatters.org/resources/how-to-pay-self-employment-and-fica-tax/

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The Balance Money article explains self-employment tax and FICA tax, detailing how they apply to self-employed individuals. It clarifies that self-employment tax consists of Social Security and Medicare taxes, which self-employed individuals must pay to cover their own retirement and healthcare benefits. The article outlines the current rates for these taxes, the income thresholds, and how to calculate the tax owed. It also explains the importance of keeping accurate records and making estimated tax payments throughout the year to avoid penalties. Overall, the article serves as a comprehensive guide for understanding tax obligations for self-employed individuals.