To estimate the cost of an employee in Georgia, start with wages, then add employer payroll taxes, workers' compensation, benefits, paid time off and other job-related expenses. The employee's paycheck is a separate calculation: it reflects gross pay minus the employee's own taxes and deductions. This reminds me of something that happened wished they had known this beforehand.. Mixing those two numbers is a common budgeting mistake.

A free **employee cost calculator Georgia** businesses can use is helpful for a first estimate, but it cannot know every detail of your tax rates, insurance policy or benefits package. Use a calculator to build a draft budget, then verify the inputs with current Georgia and federal guidance, your payroll provider and your insurance broker.

Start with the total cost of an employee

The **total cost of employee** is more than the salary or hourly wage. A practical annual estimate includes:

- Gross wages, including overtime, bonuses and commissions
- Employer Social Security and Medicare taxes
- Federal and Georgia unemployment taxes
- Workers' compensation insurance
- Health, retirement and other employer-paid benefits
- Paid time off and paid holidays
- Recruiting, onboarding, equipment, software and training

Some expenses are easy to calculate, such as a salary. Others vary by employee or business, such as workers' compensation premiums and health insurance. Keep these as separate lines in your budget rather than hiding them inside one percentage.

How to estimate Georgia payroll taxes

Employers generally pay federal payroll taxes and Georgia unemployment tax. Employees also have taxes withheld from their checks, but those withholdings are not usually an additional employer expense. They are amounts the employer collects and sends to tax agencies.

Cost or withholding Who generally pays it? What to check Social Security Employer and employee each pay a share Employer share is generally 6.2% of wages up to the annual federal wage base. Medicare Employer and employee each pay a share Employer share is generally 1.45% of wages, with no wage cap. Additional Medicare tax rules apply to some employees. Federal unemployment tax (FUTA) Employer The effective rate can depend on credits and compliance. FUTA applies only up to a wage limit. Georgia unemployment tax (SUI) Employer Your rate and taxable wage base depend on current Georgia rules and your employer account. Don't assume every business has the same rate. Federal and Georgia income tax withholding Employee withholding Withhold from the employee's pay based on their forms and current tax tables; these amounts are not an added employer tax.

For a quick first pass, the employer's Social Security and Medicare share together is generally 7.65% of applicable wages. That is only one part of **Georgia payroll taxes**. FUTA, Georgia SUI, workers' compensation and benefits can change the real number significantly. Confirm current wage bases and rates before using the estimate for a payroll budget; they can change by year and employer.

Georgia-specific items to check

- **Georgia SUI rate:** It is assigned to the employer and can vary. Look up your current rate and taxable wage base through the Georgia Department of Labor rather than relying on a generic calculator default.
- **Workers' compensation:** Georgia generally requires coverage for employers with three or more employees, subject to the state's rules and exceptions. Premiums depend on factors such as job classification, payroll and claims history. Ask an insurance professional how your business is classified.
- **State income tax withholding:** Georgia withholding affects employee take-home pay. Check current Georgia Department of Revenue forms and instructions when setting up withholding.
- **Minimum wage and overtime:** Federal and state requirements can interact. Many Georgia employers covered by the federal Fair Labor Standards Act must follow the federal minimum wage and overtime rules. Worker classification and exemptions matter; a salary alone does not make someone exempt from overtime.

Rules can also depend on where the employee works. If someone works remotely from another state, you may have registration, withholding, unemployment or insurance obligations in that state, even if your business is based in Georgia.

A back-of-the-napkin example

Suppose you hire a full-time employee at an annual salary of $50,000. For a simple illustration, assume $50,000 is subject to the employer's Social Security and Medicare taxes for the year:

- Salary: $50,000
- Employer Social Security and Medicare at 7.65%: $3,825
- Subtotal before unemployment tax, insurance, benefits and other costs: $53,825

This is a floor for planning, not a final cost. Add your actual FUTA and Georgia SUI estimates, workers' compensation premium, employer-paid benefits, paid leave and equipment. Exactly.. If the business pays $6,000 toward health coverage and another $1,500 for retirement contributions and work equipment, the estimate becomes at least $61,325 before the remaining payroll taxes and other expenses.

For an hourly employee, estimate annual wages from expected hours, not just the posted hourly rate. For example, $20 an hour for 40 hours a week over 52 weeks equals $41,600 in base annual wages. Then account for overtime, holidays, vacation and any weeks when the employee may not work. A calculator that assumes 2,080 hours may not fit a part-time, seasonal or variable-schedule role.

Estimate paycheck and take-home pay separately

An employee cost estimate answers, "What will this person cost the business?" A paycheck estimate answers, "How much might the employee receive after deductions?" Those are different questions.

I'll be honest with you: a basic paycheck calculation is:



1. Calculate gross pay for the pay period, including applicable overtime, commissions or bonuses.
2. Subtract employee-paid benefit premiums and other authorized deductions.
3. Calculate federal and Georgia income tax withholding using the employee's forms and current rules.
4. Withhold the employee's Social Security and Medicare shares, plus any applicable additional tax.
5. Subtract other deductions, such as retirement contributions or garnishments, if applicable.

For a rough example, a $50,000 salary paid twice monthly produces gross pay of about $2,083.33 per paycheck before deductions. The take-home amount will be lower, but it cannot be estimated accurately from salary alone. Filing status, W-4 and Georgia withholding elections, benefit choices, retirement contributions and pay frequency all matter.

Do not tell a candidate that a salary translates to a guaranteed net paycheck unless you have their relevant withholding and deduction information. Use a paycheck calculator for an estimate, and explain that the actual result depends on their elections and current tax tables.

Using QuickBooks and Gusto calculators

QuickBooks and Gusto offer payroll-related tools and resources that can help with planning or paycheck estimates. They may make it easier to model payroll inputs, but a calculator's result is only as reliable as the assumptions you enter. Check whether it includes employer taxes, benefits and workers' compensation—or only estimates employee withholding.

- **QuickBooks:** Useful if you already use its accounting products and want payroll costs to fit into your broader bookkeeping workflow. Confirm whether a particular calculator is informational or tied to a paid payroll service.
- **Gusto:** Offers payroll and benefits information, including tools that can help businesses explore payroll costs. Check which assumptions are included and whether the tool is a free estimate, a product preview or part of a paid service.

"Free calculator" does not necessarily mean "free payroll." Before choosing a provider, check the pricing page for base subscription fees, per-employee charges, add-on costs, service limitations and any current promotional

terms. Also ask about setup, year-end forms, off-cycle payroll, contractor payments and support. Product features and **americanbusinesscenter.org** prices change, so verify them directly with the provider.

How to estimate employee turnover cost

Turnover adds costs that do not appear on a paycheck. A useful estimate separates direct expenses from the cost of lost capacity.

Use this formula:



Turnover cost = recruiting and hiring + onboarding and training + temporary coverage + lost productivity + replacement costs

For one role, list each item and use your own figures where possible:

- Job advertising, recruiter fees and hiring staff time
- Interview hours for managers and coworkers
- Background checks, drug tests or other screening
- Training time for the new employee and trainer
- Overtime, temporary labor or delayed work while the role is vacant
- Lower output during the new hire's ramp-up period
- Equipment, software licenses and access setup

Example: If recruiting takes 18 staff hours valued at $40 per hour, that is $720. Add $300 for ads and screening, $1,200 for training time, and $1,000 in overtime coverage. The direct and measurable subtotal is $3,220. If you estimate another $2,000 in lost output during the vacancy and ramp-up, the working estimate is $5,220. The productivity figure is an assumption, so document how you reached it and avoid presenting it as an exact accounting cost.

Track this by role and over time. Turnover costs for an entry-level hourly position may differ greatly from those for a specialized manager. A simple annual calculation is the number of replacements multiplied by the estimated cost per replacement. You can then compare that figure with retention efforts, such as better onboarding or schedule flexibility.

Build a reliable employee-cost estimate

1. Choose the role, pay type and expected annual hours.
2. Estimate wages, overtime, bonuses and commissions.
3. Add employer Social Security, Medicare, FUTA and your Georgia SUI rate.
4. Get a workers' compensation estimate based on the employee's actual job duties.
5. Add employer-paid benefits, paid leave and retirement contributions.
6. Include recruiting, onboarding, equipment and training costs.
7. Run a separate paycheck estimate for take-home pay.
8. Review the estimate when tax rates, benefits, job duties or work locations change.

A free calculator is a useful starting point, not a substitute for checking state-specific rules. For Georgia employers, the key is to use your assigned unemployment rate, current tax information and realistic insurance and benefit quotes. That gives you a more useful hiring budget—and a clearer distinction between what the employee earns, what they take home and what the business actually spends.