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Check out the **pay statement**
on page 55
and answer questions 1 to 4.

**ACTIVITY 2.1
INTERPRETING PAY STATEMENTS**

Work in a small group to complete this activity. Your friend Jolie has started a job as an apprentice elevator repairperson. Study her first **pay statement**, which is shown below. Pay statements are provided by the employer.

pay statement: a form an employer gives an employee that shows earnings and deductions from earnings for a defined pay period

Employee Name: Jolie			
Company: ABC Elevator Repair		Pay Begin Date: 10/13/2011	
		Pay End Date: 10/19/2011	
General			
Employee ID: 999999		Job Title: Elevator repair apprentice	
Address:		Pay Rate: \$19.00/h	
		Annual:	
Hours and Earnings			
Description	Rate	Hours	Gross Earnings
Regular	19.00/h	37.5	\$712.50

1. How many days does the pay period cover? *Weekly*
2. If Jolie's gross earnings are \$712.50, how many hours did she work? *$\frac{712.50}{19}$*
3. Did she earn more or less than the minimum wage in your province or territory? *More*
4. Develop a formula Jolie could use to calculate her earnings for any given pay period.

SOLUTIONS

1. The pay period covers 7 days.
2. Divide Jolie's gross earnings by her rate of pay.

$$\$712.50 \div \$19.00/h = 37.5 \text{ h}$$
 Jolie worked 37.5 hours.
3. Jolie earns more than minimum wage in all Canadian provinces and territories.
4. Pay rate \times hours worked = gross earnings

EX #1: Each summer, Rick works at a home show in Halifax as a parking lot attendant. His wages this year are \$9.76 an hour and his hours of work vary from week to week. He worked 25 hours for the week August 14–20 and 35 hours for the week August 21–27.

Rick’s pay statement is shown below. Check it for accuracy and correct any errors you find.

Employee Name: Rick	
Company: Nova Scotia Spring Ideal Home Show	Pay Begin Date: 14/08/2011
	Pay End Date: 27/08/2011

General	
Employee ID: 999999	Job Title: Parking lot attendant
Address:	Pay Rate: \$9.76/h Annual:

Hours and Earnings			
Description	Rate	Hours	Gross Earnings
Regular	\$8.76 <i>9.76</i>	60	\$525.60 <i>585.60</i>

DISCUSS THE IDEAS

TYPES OF EARNINGS

Working with a partner, discuss the following questions:

1. Make a list of the different ways people are paid.
2. What are several different types of jobs that fall into each category of pay?
3. Is there an advantage to being paid weekly rather than monthly? Why do you think most workers are not paid weekly?
4. If you worked at a job in which you earned an annual salary that was paid monthly, and you worked more than 40 hours in a week, how might you be compensated for your overtime work?

SOLUTIONS

1. People can be paid weekly, biweekly, semi-monthly, monthly, daily, hourly, annually, by contract, on commission, and by piecework.
2. Answers will vary. Examples of daily, hourly, or weekly paying jobs include temp work, administrative jobs, part-time work, and construction jobs. Examples of biweekly, semi-monthly, and monthly paid jobs include full-time work, retail jobs, administrative work, teaching, and clerical positions. Jobs paid on a piecework basis include delivering newspapers or flyers, manufacturing, sewing, floor installation, and cabinet installation. Commission based jobs include retail sales, car sales, and selling real estate. Contract work includes house painting and construction.
3. Answers will vary. One advantage to weekly pay is having more pay periods a year (52 rather than 12). Another advantage is that you would be paid sooner when you start a new job. One reason most workers are not paid weekly is because it would be expensive for a company to have to process payroll payments every week.
4. Most people who work on an annual salary don't get paid overtime. In some cases, an employer may offer time off in lieu of overtime pay.

Salaries

- a fixed amount of money that is paid over one year.
- daily pay periods - salary divided by 365
- weekly pay periods - salary divided by 52 weeks
- bi-weekly pay periods - salary divided by 26
- monthly pay periods - salary divided by 12
- quarterly pay periods - salary divided by 4



EXAMPLE #2...

Amos was hired to be the office clerk at an insurance company. His annual salary will be \$34 756.00.

- Why is Amos not paid annually for his work?
- Would he earn more each pay period if he were paid **semi-monthly** or **biweekly**?

Semi-monthly:
$$\frac{\$34\,756.00}{24}$$
$$\$1448.17$$

Biweekly:
$$\frac{\$34\,756.00}{26}$$
$$\$1336.17$$

How many weeks are in a month??



How many weeks are in a month??



52 weeks in a year
12 months

4.33 weeks / month

EX #3:

Laura's regular rate at her job in a warehouse is \$9.86 an hour. She works 8 hours a day. She has to work an extra shift on a holiday, and her overtime rate is time and a half. (x 1.5)



a) What are Laura's gross earnings for the holiday?

"time and a half"

↓

$$\$9.86 \times 1.5 = \$14.79$$

$$\$14.79 \times 8$$

$$\$118.32$$

b) What is her hourly rate on the holiday?

EX #4:

Gregor works as a glazier, a person who cuts and fits glass, at a window manufacturing company in Miramichi, NB. He earns \$19.99/h for 37.5 hours a week and time and a half for any hours over that. Gregor examines the schedule for the upcoming week, shown here.

WEEKLY SCHEDULE

Employee Name	Day	Start time	End time
Gregor	Sunday		
	Monday	8:00 am	4:00 pm 8 hrs
	Tuesday	8:15 am	4:00 pm 7.75 hrs
	Wednesday	8:00 am	3:30 pm 7.5 hrs
	Thursday	8:00 am	4:00 pm 8 hrs
	Friday	9:00 am	4:15 pm 7.25 hrs
	Saturday	8:30 am	6:30 pm 10 hrs



Ritchie Wharf Park is a popular tourism destination for those visiting Miramichi, New Brunswick.

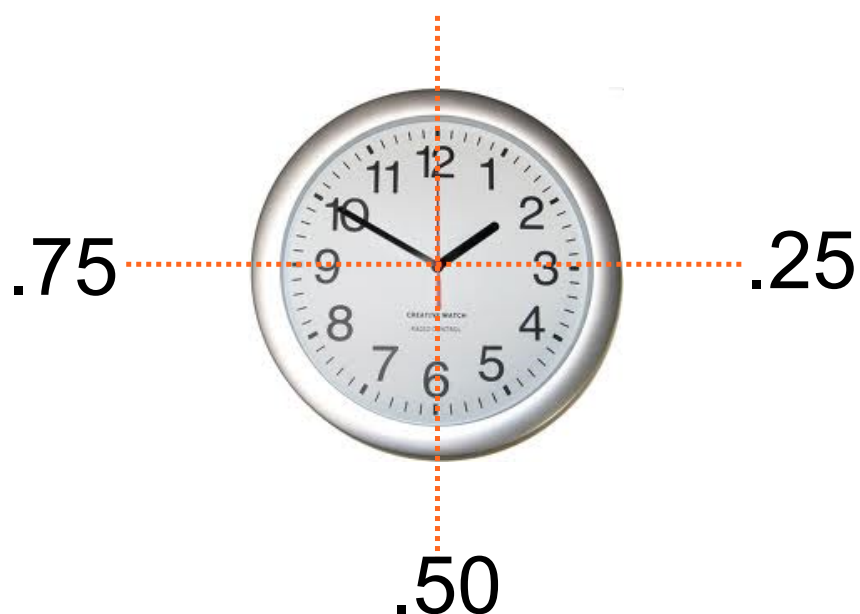
48.5 hrs

a) Describe your strategy for determining the number of hours Gregor will work each day and express these amounts as decimals.

$48.5 - 37.5 = 11 \text{ hrs OT}$

b) How many hours of overtime will he work?





Employers don't usually pay for every minute. Round off the hours to the nearest quarter hour.

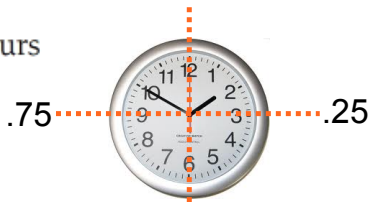
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= 8 hours
 = 7.75 hours
 = 7.5 hours
 = 8 hours
 = 7.25 hours
 = 10 hours
48.5 hours

a) Describe your strategy for determining the number of hours Gregor will work each day and express these amounts as decimals.



b) How many hours of overtime will he work?

48.5 hours - 37.5 hours = 11 hours of overtime

Reg $19.99 \times 37.5 = 749.62$
 OT $19.99 \times 1.5 \times 11 = 329.83$
 Gross PAY $\$1079.46$



HOMEWORK...

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Questions 1 to 10

[2.1 Build Your Skills Detailed Solutions.pdf](#)



[Worksheet - Wages and Salaries.pdf](#)



Attachments

2.1 Build Your Skills Detailed Solutions.pdf

Worksheet - Wages and Salaries.pdf