

Taxable Income...

Benefits are deducted before federal/provincial tax is calculated
[Union dues and pension]

Gross Pay - Before Tax Deductions

NOTE: CPP is a contribution and EI is a premium.
(under the tax section but is not taxed)

650.00
- 34.60
- 134.78

Employee Name: Hermione		
Company:	Pay Begin Date: 09/08/2011	Net Pay: \$480.62
	Pay End Date: 15/08/2011	Cheque Date: 16/08/2011

General		Taxes Data	
Employee ID:	Job Title: Appliance Repair Apprentice	Description	Federal
Address: 123 Main Street St. John, NB	Pay Rate: \$650.00/wk Annual: \$33 800.00	Claim Code	1

Hours and Earnings			Before-Tax Deductions		Taxes	
Description	Current		Description	Amt.	Description	Amt.
	Rate	Gross Earnings				
Regular	\$650.00/wk	\$650.00	Union Dues	\$14.10	Federal	\$53.10
			Pension	\$20.50	Provincial	\$42.00
			Total	\$34.60	CPP	\$28.43
					EI	\$11.25
					Total	\$134.78

Benefits: a range of programs that benefit employees; these vary from employer to employer



Union Dues
Pension
Investments

These amounts are subtracted from the gross earnings before taxes are calculated.

Calculating the CPP and EI deductions...

- CPP - in 2015, the rate is 4.95 % of the annual salary less the \$3500 exemption.
[once you earn over \$53 600 - the maximum contribution is \$2479.95]
- EI - in 2015, the rate is 1.88 % of the annual salary.
[once you earn over \$49 500 - the maximum premium is \$930.60]

Employee Name: Amanda		
Company:	Pay Begin Date: 03/08/2011	Net Pay:
	Pay End Date: 03/15/2011	Cheque Date:

General		Taxes Data	
Employee ID:	Job Title:	Description	Federal
Address: 123 Main St. Dartmouth, NS	Pay Rate: \$500.00/wk Annual: \$26 000.00	Claim Code	1

Hours and Earnings			Before-Tax Deductions		Taxes	
Description	Current		Description	Amt.	Description	
	Rate	Gross Earnings				
Regular	\$500.00/wk	\$500.00	Union Dues		Federal	
			Pension		Provincial	
			Total		CPP	
					EI	
					Total	

$3500/52 = 67.31$
 $500 - 67.31 = 432.69$
 $0.0495(432.69) = 21.42$

$0.0188(500) = 9.40$

OR USE A TABLE

Canada Pension Plan Contributions
Weekly (52 pay periods a year)

Pay Rémunération		CPP RPC	Rén From - De
From - De	To - À		
499.93	- 500.12	21.42	
500.13	- 500.33	21.43	
500.34	- 500.53	21.44	
500.54	- 500.73	21.45	
500.74	- 500.93	21.46	
500.94	- 501.13	21.47	
501.14	- 501.34	21.48	
501.35	- 501.54	21.49	
501.55	- 501.74	21.50	

OR USE A TABLE

Employment Insurance Premiums

Insurable Earnings		EI premium	Insurable Earnings		EI premium
From	To		From	To	
459.85	- 460.37	8.65	498.14	- 498.67	9.37
460.38	- 460.90	8.66	498.68	- 499.20	9.38
460.91	- 461.43	8.67	499.21	- 499.73	9.39
461.44	- 461.96	8.68	499.74	- 500.26	9.40
461.97	- 462.49	8.69	500.27	- 500.79	9.41
462.50	- 463.03	8.70	500.80	- 501.32	9.42
463.04	- 463.56	8.71	501.32	- 501.86	9.43
463.57	- 464.09	8.72	501.87	- 502.39	9.44
464.10	- 464.62	8.73	502.40	- 502.92	9.45

EXAMPLE: Calculate income tax deductions & net pay...

Employee Name: Iwana Job		Company:		Pay Begin Date: 08/17/2011	Net Pay: \$413.88	
		Pay End Date: 08/23/2011		Cheque Date: 08/23/2011		
General			Taxes Data			
Employee ID:		Job Title:		Description	Federal	
Address: Miramichi, NB		Pay Rate: \$500.00/wk		Claim Code	1	
		Annual: \$26 000.00				
Hours and Earnings			Before-Tax Deductions		Taxes	
Current			Description	Amt.	Description	Current
Description	Rate	Gross Earnings	Union Dues	\$1.38	Federal	30.05
Regular	\$500.00/wk	\$500.00	Pension	\$43.00	Provincial	22.95
			Total	44.38	CPP	21.42
					EI	9.40
					Total	93.82
Pavcheque Summary						
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay		
\$500.00	455.62	93.82	128.20	371.80		

- STEPS: Calculate...**
1. "Before tax Deductions"
 2. Taxable gross pay
 3. Federal Tax
 4. Provincial tax
 5. CPP
 6. EI
 7. NET PAY

Here are the tax tables that you will need...use previous CPP/EI tables...

Federal tax deductions
 Effective January 1, 2012
 Weekly (52 pay periods a year)
 Also look up the tax deductions in the provincial table

Retenues d'impôt fédéral
 En vigueur le 1^{er} janvier 2012
 Hebdomadaire (52 périodes de paie par année)
 Cherchez aussi les retenues d'impôt dans la table provinciale

Pay Rémunération	Federal claim codes/Codes de demande fédéraux										
	0	1	2	3	4	5	6	7	8	9	10
From Less than De Moins de	Deduct from each pay Retenez sur chaque paie										
451 - 455	60.70	29.45	26.50	20.50	14.55	8.60	2.60				
455 - 459	61.25	30.05	27.05	21.10	15.10	9.15	3.20				
459 - 463	61.80	30.60	27.60	21.65	15.65	9.70	3.75				
463 - 467	62.35	31.15	28.15	22.20	16.25	10.25	4.30				
467 - 471	62.90	31.70	28.70	22.75	16.80	10.85	4.85				

New Brunswick provincial tax deductions
 Effective January 1, 2012
 Weekly (52 pay periods a year)
 Also look up the tax deductions in the federal table

Retenues d'impôt provincial du Nouveau-Brunswick
 En vigueur le 1^{er} janvier 2012
 Hebdomadaire (52 périodes de paie par année)
 Cherchez aussi les retenues d'impôt dans la table fédérale

Pay Rémunération	Provincial claim codes/Codes de demande provinciaux										
	0	1	2	3	4	5	6	7	8	9	10
From Less than De Moins de	Deduct from each pay Retenez sur chaque paie										
435 - 439	37.35	21.25	19.50	15.90	12.35	8.75	5.20	1.60			
439 - 443	37.70	21.60	19.80	16.25	12.70	9.10	5.55	1.95			
443 - 447	38.05	21.95	20.15	16.60	13.00	9.45	5.85	2.30			
447 - 451	38.40	22.30	20.50	16.95	13.35	9.80	6.20	2.65			
451 - 455	38.75	22.65	20.85	17.25	13.70	10.15	6.55	3.00			
455 - 459	39.05	22.95	21.20	17.60	14.05	10.45	6.90	3.30			
459 - 463	39.40	23.30	21.50	17.95	14.40	10.80	7.25	3.65	.10		
463 - 467	39.75	23.65	21.85	18.30	14.70	11.15	7.55	4.00	.45		
467 - 471	40.10	24.00	22.20	18.65	15.05	11.50	7.90	4.35	.75		
471 - 475	40.45	24.30	22.55	18.95	15.40	11.80	8.25	4.70	1.10		

HOMEWORK...use the 2015 tables!

Caleb works as a fishing guide and makes \$960 per week. He has to pay a guiding uniform fee of \$15, a \$5 life insurance & \$5 guides union. Determine his **net pay using claim code 2!**

STEPS: Calculate...

1. "Before tax Deductions"
2. Taxable gross pay
3. Federal Tax
4. Provincial tax
5. CPP
6. EI
7. NET PAY

Gross Earnings	\$ 960	← CPP/EI
Union Dues / Pension	— 5	
Taxable Income	\$ 955	← Fed/Prov
Federal Tax	\$ 101.55	Income Tax
Provincial Tax	\$ 75.65	
C.P.P.	\$ 44.19	
E.I.	\$ 18.05	
Other Deductions	\$ 20	
Net Pay	\$ 695.96	

CC2

Review for the test...PRACTICE!!!

Chapter 2 Sample Test with Solutions.pdf



UNIT TEST ON THURSDAY!

Chapter 2 Sample Test with Solutions.pdf