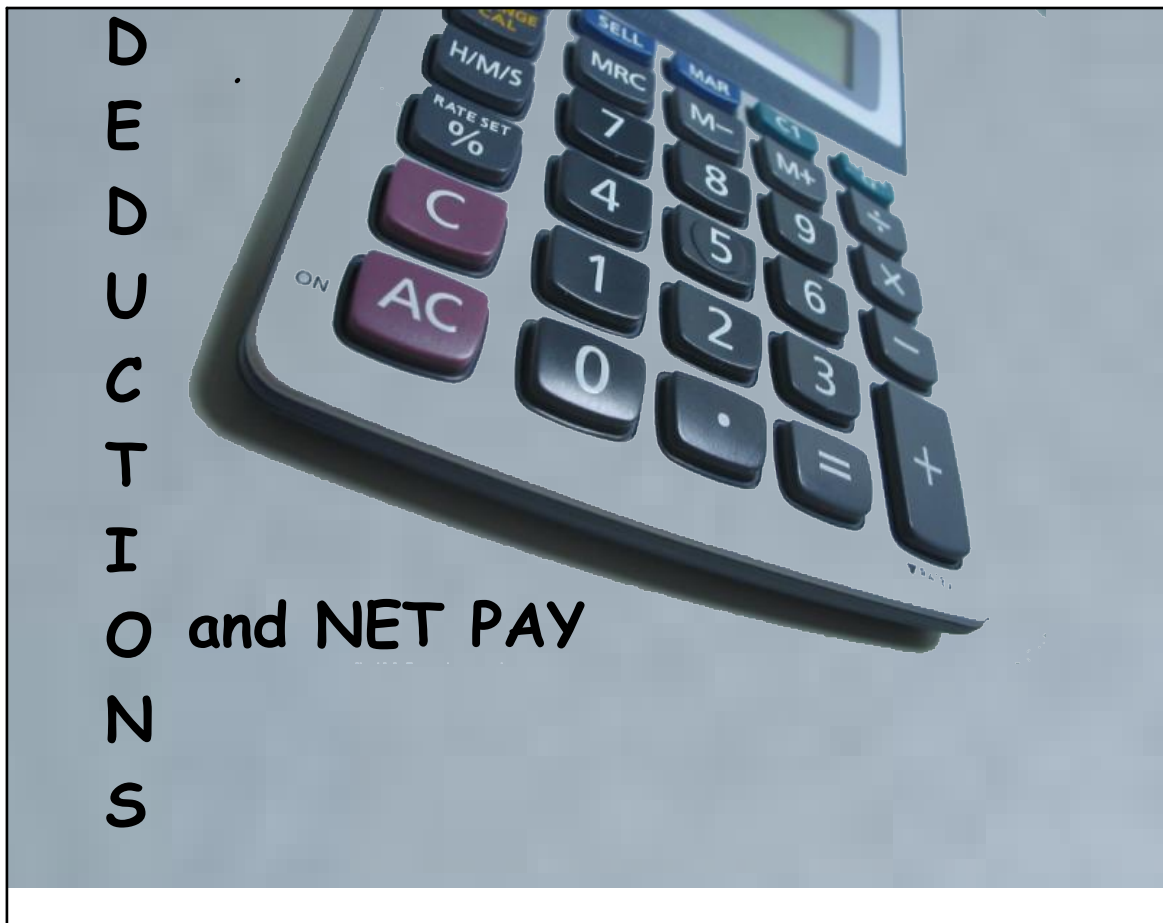


Curriculum Outcome

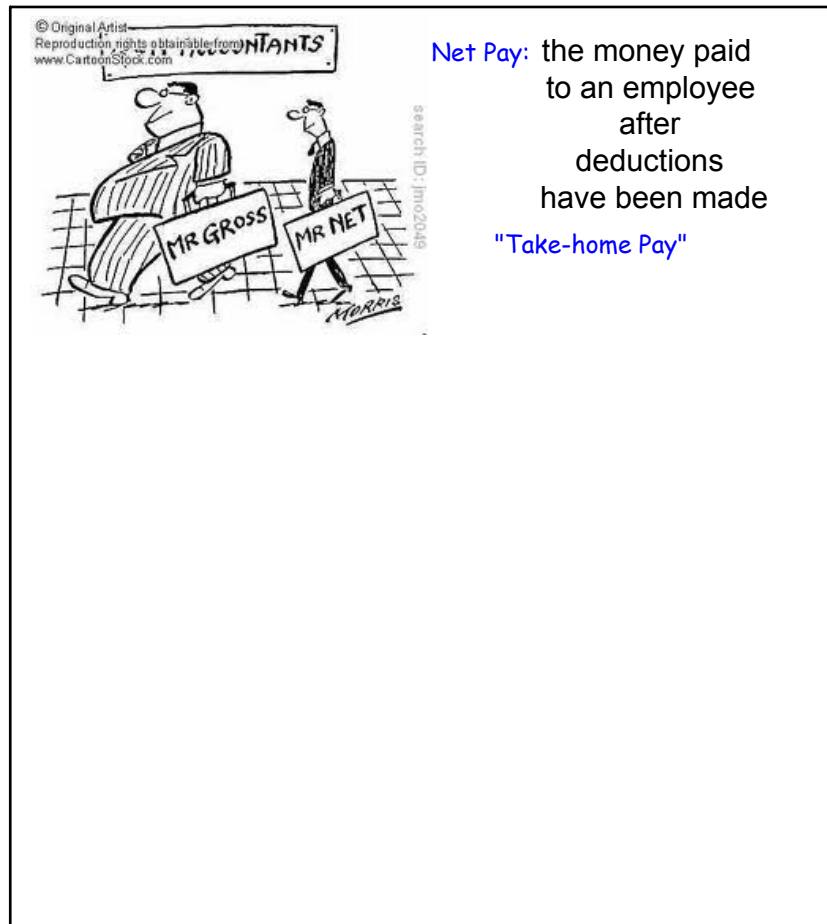
- N2** Demonstrate an understanding of income, including: wages, salary, contracts, commission, piecework, and calculating gross pay and net pay.
- N3** Demonstrate an understanding of compound interest.
- N4** Demonstrate an understanding of financial institution services used to access and manage finances.
- N5** Demonstrate an understanding of credit options, including: credit cards, and loans.

Student Friendly:
"Calculating net pay "

Sep 7-2:50 PM



Oct 2-4:46 PM



Net Pay: the money paid to an employee after deductions have been made

"Take-home Pay"

Oct 2-4:49 PM

Net Pay (Take Home Pay)

- **Deductions** - these are subtracted from your **gross pay**.

- (1) Employment Insurance (E. I.)
- (2) Income Tax - money for the government.
 - percentage based on your earnings.
- (3) Canadian Pension Plan (CPP) - paid for when you retire (age 60).

-> These are the 3 Standard Deductions.
(rates vary yearly and province to province)

- **Other Deductions** - medical plans
 - dental plans
 - insurance (car/house/life)
 - pension (money after retirement)
 - union/association dues (percentage of pay)
 - car/house payments
- **Garnished Wages** - child support
 - alimony
 - unpaid taxes
 - unpaid fines
- **Investments** - Canada Savings Bond
 - TFSA (Tax Free Savings Accounts)
 - RRSP/RESP
 - Stock Market

Oct 12-8:45 AM

Employee Name: Hermione						
Company:		Pay Begin Date: 09/08/2011		Net Pay:		
		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	
Current			Description	Amt.	Description	Amt.
Description	Rate	Gross Earnings	Union Dues	\$14.10	Federal	
			Pension	\$20.50	Provincial	
Regular	\$650.00/wk	\$650.00	Total	\$34.60	CPP	
					EI	
					Total	

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

Oct 2-5:08 PM

Employee Name:						
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: PEI		Pay Rate: \$500.00/wk Annual: \$26 000.00		Claim Code	1	
Hours and Earnings			Before-Tax Deductions		Taxes	
Current			Description	Amt.	Description	Current
Description	Rate	Gross Earnings	Union Dues	\$1.38	Federal	
			Pension	\$43.00	Provincial	
Regular	\$500.00/wk	\$500.00	Total	\$44.38	CPP	
					EI	
					Total	
Paycheque Summary						
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay		
\$500.00	\$455.62					

Calculate the "taxable gross" pay

$\text{Taxable Gross} = \text{Gross Earnings} - \text{"Before tax deductions" (Union and Pension)}$

Taxable Gross is the amount used to calculate Federal & Provincial taxes.

Gross earnings is the amount used to calculate CPP and EI.

Oct 3-8:52 PM

Net Pay = Gross Pay - Deductions - Taxes

Employee Name: Hermione					
Company:	<table border="1" style="width: 100%;"> <tr> <td>Pay Begin Date: 09/08/2011</td> <td style="background-color: yellow;">Net Pay:</td> </tr> <tr> <td>Pay End Date: 15/08/2011</td> <td>Cheque Date: 16/08/2011</td> </tr> </table>	Pay Begin Date: 09/08/2011	Net Pay:	Pay End Date: 15/08/2011	Cheque Date: 16/08/2011
Pay Begin Date: 09/08/2011	Net Pay:				
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

Oct 3-8:24 PM

C

P

P

Canada Pension Plan (CPP) 4.95%

Important notice
[Changes to the rules for deducting Canada Pension Plan \(CPP\) contributions.](#)

You have to deduct CPP contributions from an employee's remuneration if that employee:

- is 18 years or older, but **younger** than 70;
- is in pensionable employment during the year;
- is **not** considered to be disabled under the CPP or QPP; **and**
- does **not** receive a CPP or QPP retirement pension.

2. What benefits does the Canada Pension Plan provide?

The Canada Pension Plan is a contributory, earnings-related social insurance program. It ensures a measure of protection to a contributor and his or her family against the loss of income due to retirement, disability and death.

There are three kinds of Canada Pension Plan benefits:

- disability benefits** (which include benefits for disabled contributors and benefits for their dependent children);
- retirement pension**; and
- survivor benefits** (which include the death benefit, the survivor's pension and the children's benefit).

The Canada Pension Plan operates throughout Canada, although the province of Quebec has its own similar program, the Quebec Pension Plan. The Canada Pension Plan and the Quebec Pension Plan work together to ensure that all contributors are protected.

Oct 2-7:13 PM

CPP contribution rates, maximums and exemptions

Important notice

[Changes to the rules for deducting Canada Pension Plan \(CPP\) contributions.](#)

CPP contribution rates, maximums and exemptions

Year	Maximum annual pensionable earnings	Basic exemption amount	Maximum contributory earnings	Employee and employer contribution rate (%)	Maximum annual employee and employer contribution	Maximum annual self-employed contribution
2017	\$55,300	\$3,500	\$51,800	4.95	\$2,564.10	\$5,128.20
2016	\$54,900	\$3,500	\$51,400	4.95	\$2,544.30	\$5,088.60
2015	\$53,600	\$3,500	\$50,100	4.95	\$2,479.95	\$4,959.90
2014	\$52,500	\$3,500	\$49,000	4.95	\$2,425.50	\$4,851.00
2013	\$51,100	\$3,500	\$47,600	4.95	\$2,356.20	\$4,712.40
2012	\$50,100	\$3,500	\$46,600	4.95	\$2,306.70	\$4,613.40
2011	\$48,300	\$3,500	\$44,800	4.95	\$2,217.60	\$4,435.20
2010	\$47,200	\$3,500	\$43,700	4.95	\$2,163.15	\$4,326.30
2009	\$46,300	\$3,500	\$42,800	4.95	\$2,118.60	\$4,237.20
2008	\$44,900	\$3,500	\$41,400	4.95	\$2,049.30	\$4,098.60

Dec 19-2:24 PM

4.95%

C There is a "basic yearly exemption" from CPP payments.

\$3500


P Step 1:
Calculate the basic pay-period exemption that applies.

$$\text{Pay Period Exemption} = \frac{\$3500}{\# \text{ of pay periods}}$$

P Step 2:
Gross pay - Pay period Exemption

Step 3:
Calculate the amount you pay it CPP for that pay

(Answer from step 2) x 4.95%



Oct 2-7:13 PM

Calculate the CPP for Jesse who earns \$2725 biweekly.

Exemption \$3500
CPP 4.95%

Three Steps...

1. $\$3500 / 26 = \134.62

2. $\$2725 - 134.62 = \2590.38

3. $\$2590.38 \times 0.0495 = \128.22

or you can use the chart

2003.60 - 2003.80	92.52	2018.15 - 2018.34	93.24	2679.36 - 2689.35	126.21	3399.36 - 3409.35	161.85
2003.81 - 2004.00	92.53	2018.35 - 2018.54	93.25	2689.36 - 2699.35	126.71	3409.36 - 3419.35	162.35
2004.01 - 2004.20	92.54	2018.55 - 2018.75	93.26	2699.36 - 2709.35	127.20	3419.36 - 3429.35	162.84
2004.21 - 2004.40	92.55	2018.76 - 2018.95	93.27	2709.36 - 2719.35	127.70	3429.36 - 3439.35	163.34
2004.41 - 2004.60	92.56	2018.96 - 2019.15	93.28	2719.36 - 2729.35	128.19	3439.36 - 3449.35	163.83
2004.61 - 2004.81	92.57	2019.16 - 2019.35	93.29	2729.36 - 2739.35	128.69	3449.36 - 3459.35	164.33
2004.82 - 2005.01	92.58	2019.36 - 2029.35	93.54	2739.36 - 2749.35	129.18	3459.36 - 3469.35	164.82
2005.02 - 2005.21	92.59	2029.36 - 2039.35	94.04	2749.36 - 2759.35	129.68	3469.36 - 3479.35	165.32
2005.22 - 2005.41	92.60	2039.36 - 2049.35	94.53	2759.36 - 2769.35	130.17	3479.36 - 3489.35	165.81

Mar 12-8:31 PM

You need to calculate the Canada Pension Plan deduction for Amanda, whose pay statement is shown here. In 2011, the CPP contribution rate was 4.95% of any gross earnings above \$3500.00.


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		Taxes	
	Current	Description	
Description	Rate	Gross Earnings	
Regular	\$500.00/wk	\$500.00	
		Union Dues	
		Pension	
		Total	
		Federal	
		Provincial	
		CPP	?
		EI	
		Total	

1. $\$3500 / 52 = \67.31

2. $\$500 - 67.31 = \432.69

3. $\$432.69 \times 0.0495 = \21.42

Oct 4-8:26 AM



EI

1.88%

What is the Employment Insurance (EI) system?

Employment Insurance is a social program that contributes to the security of all Canadians by providing assistance workers who lose their jobs and helping unemployed people across the country to get back to work.


Employment Insurance (EI)

You have to deduct EI premiums from your employees insurable earnings on **each dollar** up to the yearly maximum. As an employer, you must also contribute 1.4 times the EI premium withheld for each employee.

Insurable employment includes most employment in Canada under a contract of service (employer-employee relationship).

There is **no age limit** for deducting EI premiums.

People who are self-employed do not have to pay Employment Insurance premiums, but are also not eligible for EI if they find themselves out of work.



Calculating EI= Gross pay x 1.88%

Oct 2-7:14 PM

EI premium rates and maximums

- [Federal EI premium rates and maximums](#)
- [Quebec EI premium rates and maximums](#)

Federal EI premium rates and maximums

Year	Maximum annual insurable earnings	Rate (%)	Maximum annual employee premium	Maximum annual employer premium
2016	\$50,800	1.88	\$955.04	\$1,337.06
2015	\$49,500	1.88	\$930.60	\$1,302.84
2014	\$48,600	1.88	\$913.68	\$1,279.15
2013	\$47,400	1.88	\$891.12	\$1,247.57
2012	\$45,900	1.83	\$839.97	\$1,175.96
2011	\$44,200	1.78	\$786.76	\$1,101.46
2010	\$43,200	1.73	\$747.36	\$1,046.30
2009	\$42,300	1.73	\$731.79	\$1,024.51
2008	\$41,100	1.73	\$711.03	\$995.44

Jan 9-4:07 PM

Calculate the Employment Insurance premium that will be deducted from Amanda's weekly pay. In 2014, the EI premium rate is 1.88% of the gross earnings.

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	
	Current		Description	Amt.	Description	
Description	Rate	Gross Earnings	Union Dues		Federal	
Regular	\$500.00/wk	\$500.00	Pension		Provincial	
			Total		CPP	?
					EI	
					Total	

$\$500 \times 0.0188$
\$9.40



Oct 4-10:26 AM

Federal & Provincial



<http://www.cra-arc.gc.ca/E/pub/tg/t4032nl/README.html>

"Canada Revenue Agency"

www.cra-arc.gc.ca



→ English



Links for business Payroll



Payroll Deductions Online Calculator (PDOC), payroll tables, TD1s, and more



T4032, Payroll Deductions Tables




T4032 - 2011

Scroll down to the bottom of page to choose province

Oct 4-9:42 AM

<http://www.cra-arc.gc.ca/E/pub/tg/t4032nb/README.html>
<http://www.cra-arc.gc.ca/E/pub/tg/t4032nl/README.html>
<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/t4032/2013/t4032nb-RDM-eng.html>



Canada Revenue Agency
 www.cra.gc.ca

Français Home Contact Us Help Search canada.gc.ca
 Businesses > Payroll > T4032

Go to
 Forms and publications
 Online services
 A to Z index
 Site map

Information for
 Individuals
 Business
 Other groups

Search CRA

 Search

T4032 Payroll Deductions Tables
 We are looking for your input on the publication T4032, *Payroll Deductions Tables*. Please take a few minutes to complete a [short survey](#).

Effective January 1, 2012
Employment Insurance premiums effective January 1, 2012

- When the [province of employment is Quebec](#)
- When the [province of employment is other than Quebec](#)

Canada Pension Plan contributions effective January 1, 2012

- [Weekly \(52 pay periods a year\)](#)
- [Biweekly \(26 pay periods a year\)](#)
- [Semimonthly \(24 pay periods a year\)](#)
- [Monthly \(12 pay periods a year\)](#)

Federal, Provincial and Territorial Income Tax Deductions, Effective January 1, 2012


CPP 2013.pdf
 EI 2013.pdf
 NB Tax 2013.pdf

Dec 19-2:27 PM

WHAT TAX CODE???

Employers have their employees fill out a Personal Tax Credit Return form to determine how much taxes should be taken off each cheque.

School... Disability... Spouse... Caregiver... Infirm dependent... etc. ???



Most employees prefer to be under Code #1 because they will get money back at the end of the year.

Oct 4-9:56 AM

Taxable Income...

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

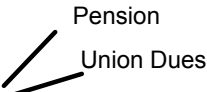
Gross Pay - Before Tax Deductions

Union & pension

Dec 19-10:47 PM

Net Pay

STEPS: Calculate...

1. "Before tax Deductions" 
2. Taxable income (gross - before deductions)
3. Federal Tax
4. Provincial tax
5. CPP
6. EI
7. NET PAY

Look in Table
Taxable income

Based on your gross pay

May 19-8:52 PM

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

Employee Name: Hermione		
Company:	Pay Begin Date: 09/08/2011	Net Pa
	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	
			Pension	\$20.50	Provincial	
			Total	\$34.60	CPP	
					EI	
					Total	

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

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

Union Dues
Pension

QUESTION...

Based on the amounts deducted for union dues and pensions, what percentage of Hermione's gross pay does she pay in union dues and what percentage does she contribute to a pension?

Oct 2-5:08 PM

Calculating the deductions...

- CPP - in 2012, the rate is 4.95 % of the annual salary less the \$3500 exemption. [once you earn over \$46 600 - the maximum contribution is \$2306.70]
- EI - in 2014, the rate is 1.88 % of the annual salary. [once you earn over \$45 900 - the maximum premium is \$839.97]

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	Amt.
	Rate	Gross Earnings				
Regular	\$500.00/wk	\$500.00	Union Dues		Federal	
			Pension		Provincial	
			Total		CPP	21.42
					EI	9.40
					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 Remuneration From - De	To - A	CPP RPC	Rén From - De
499.93	500.12	21.42	
500.13	500.33	21.45	
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

Insurable Earnings From	To	EI premium
498.14	498.67	9.37
498.68	499.20	9.38
499.21	499.73	9.39
499.74	500.26	9.40
500.27	500.79	9.41
500.80	501.32	9.42
501.32	501.86	9.43
501.87	502.39	9.44
502.40	502.92	9.45

Dec 19-10:10 PM

EXAMPLE: Calculate the net pay...

Employee Name: Iwana Job		Net Pay: \$413.88	
Company: Pay Begin Date: 08/17/2011		Cheque Date: 08/23/2011	
Pay End Date: 08/23/2011			

General			Taxes Data	
Employee ID:	Job Title:	Description	Federal	
Address: Miramichi, NB	Pay Rate: \$500.00/wk Annual: \$26 000.00	Claim Code	1	

Hours and Earnings			Before-Tax Deductions		Taxes	
Description	Current	Gross Earnings	Description	Amt.	Description	Current
	Rate		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	\$83.82

Paycheque Summary				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
\$500.00	\$455.62	\$83.82	\$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 tables that you will need...

Federal tax deductions
Effective January 1
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
Hebdomadaire (52 périodes de paie par année)
Cherchez aussi les retenues d'impôt dans la table provinciale

Pay	Federal claim codes/Codes de demande fédéraux										
Rémunération	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	30.70	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
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
Hebdomadaire (52 périodes de paie par année)
Cherchez aussi les retenues d'impôt dans la table fédérale

Pay	Provincial claim codes/Codes de demande provinciaux										
Rémunération	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	1.0		
463 - 467	39.75	23.65	21.85	18.30	14.70	11.15	7.55	4.00	4.5		
467 - 471	40.10	24.00	22.20	18.65	15.05	11.50	7.90	4.35	7.5		
471 - 475	40.45	24.30	22.50	18.95	15.40	11.80	8.25	4.70	1.10		

Oct 4-9:32 AM

EXAMPLE: Calculate the net pay...

Employee Name: Iwana Job		Net Pay: \$413.88	
Company: Pay Begin Date: 08/17/2011		Cheque Date: 08/23/2011	
Pay End Date: 08/23/2011			

General			Taxes Data	
Employee ID:	Job Title:	Description	Federal	
Address: Miramichi, NB	Pay Rate: \$500.00/wk Annual: \$26 000.00	Claim Code	1	

Hours and Earnings			Before-Tax Deductions		Taxes	
Description	Current	Gross Earnings	Description	Amt.	Description	Current
	Rate		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	\$83.82

Paycheque Summary				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
\$500.00	\$455.62	\$83.82	\$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 tables that you will need...

Federal tax deductions
Effective January 1
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
Hebdomadaire (52 périodes de paie par année)
Cherchez aussi les retenues d'impôt dans la table provinciale

Pay	Federal claim codes/Codes de demande fédéraux										
Rémunération	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	30.70	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
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
Hebdomadaire (52 périodes de paie par année)
Cherchez aussi les retenues d'impôt dans la table fédérale

Pay	Provincial claim codes/Codes de demande provinciaux										
Rémunération	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	1.0		
463 - 467	39.75	23.65	21.85	18.30	14.70	11.15	7.55	4.00	4.5		
467 - 471	40.10	24.00	22.20	18.65	15.05	11.50	7.90	4.35	7.5		
471 - 475	40.45	24.30	22.50	18.95	15.40	11.80	8.25	4.70	1.10		

Oct 4-9:32 AM

Net Pay

STEPS: Calculate...

1. "Before tax Deductions"

Pension
Union Dues

2. Taxable income (gross - before deductions)

Look in Table
Taxable income

3. Federal Tax

4. Provincial tax

5. CPP

Based on your gross pay

6. EI

7. NET PAY

May 19-8:52 PM

HOMEWORK...use the tables!

Caleb works as a fishing guide and makes \$950 per week. He has to pay a guiding uniform fee of \$15 and a \$5 life insurance.

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	\$ 950
Union Dues / Pension	\$ 0
Taxable Income	\$ 950
Federal Tax	\$ 102.70
Provincial Tax	\$ 68.35
C.P.P. $\frac{3500}{52} = 67.31$ $(950 - 67.31) \times 0.0495$	\$ 43.69
E.I. 950×0.0188	17.86
Other Deductions	\$ 20.00
Net Pay	\$ 697.40

C.P.P

E.I

OR USE A TABLE

May 28-8:46 AM

HOMEWORK...use the 2013 tables!

Caleb works as a fishing guide and makes \$950 per week. He has to pay a guiding uniform fee of \$15 and a \$5 life insurance. 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	\$950.
Union Dues / Pension	\$ 0
Taxable Income	\$ 950
Federal Tax	\$ 102.70
Provincial Tax	\$ 68.35
C.P.P.	\$ 43.69
E.I.	\$ 17.86
Other Deductions	\$ 20
Net Pay	\$ 697.40

$$\frac{3500}{52} = 67.30$$

$$(950 - 67.30) \times 0.0495 = 43.69$$

$$EI: 950 \times 0.0188 = 17.86$$

May 28-8:46 AM

Selina is paid \$15.25/hr for a 40hr. She gets paid time and a half for each hour of over time, and is paid weekly.

If she works 45 hours in one week and has to pay \$25/week for a life insurance plan and \$50/week for a pension plan, what will her net pay be?

(Selina falls into claim code 2, and lives in NB)

Gross Earnings	
Union Dues / Pension	\$
Taxable Income	\$
Federal Tax	\$
Provincial Tax	\$
C.P.P.	\$
E.I.	\$
Other Deductions	\$
Net Pay	\$

Dec 18-11:34 AM

F10 Net Pay Name:

Regular Earnings 15.25 x 40h	\$ 610	Total Earnings: Gross: 724.38
Other Earnings 22.88 x 5h	\$ 114.38	
Before Tax Deductions	\$ 50	Union = 0 Pension = 50
CPP deduction:	\$ 32.52	
EI deduction:	\$ 13.62	
(Total Earnings) - (Total before tax deductions):	724.38 - 50 = 674.38	
Use this new value to find the Income Tax. Use Claim Code 2		
Income Tax: 474.88 Fed: 56.85 Pro: 39.30	\$ 96.15	
Other Deductions:	\$ 25	
Total Deductions		\$ 32.52
NET PAY = Total Earnings - Total Deductions		\$ 506.50

EI: $724.38 \times 0.0188 = 13.62$

CPP: $\frac{3500}{52} = 67.31$
 $(724.38 - 67.31) \times 0.0495 = 32.52$

Dec 18-11:14 AM

As NB salesman, Bob, is paid \$700/ week, plus 5% commission on all his sales. Last week he sold \$4200 worth of furniture. His claim code is 4 and he also has a bond that cost \$50/week, and he also has to pay \$70/week for unpaid fines. What is his net pay?

Dec 18-11:42 AM

ail is
plus
5% on
she
th of
im code
o has
50/week
pay
paid
her net.

Regular Earnings	\$		1750
Other Earnings	\$		
			Total Earnings:
			gross \$
Before Tax Deductions	\$		
CPP deduction:	\$		
EI deduction:	\$		
(Total Earnings) - (Total before tax deductions):			
Use this new value to find the Income Tax. Use Claim Code			
Income Tax:	\$		
Fed:		Pro:	
Other Deductions:	\$		
			Total Deductions
			\$
NET PAY = Total Earnings - Total Deductions			\$

Dec 18-11:31 AM

In-class Assignment...

[Assignment - Earning an Income Dec. 2015.doc](#)

[Tables - Fed_Prov Tax and CPP_EI July 2015.pdf](#)

May 28-12:23 PM

HOMWORK...

Assignment - Earning an Income May 2013.doc

DUE tomorrow!

May 28-12:23 PM

CONTRIBUTING TO CPP, TAXES, AND EI

Pros	Cons
<ul style="list-style-type: none"> the taxes you pay go towards building infrastructure such as roads and schools contributions to CPP go towards your retirement dependants such as family members may benefit from your contributions financial assistance if you become unemployed 	<ul style="list-style-type: none"> some of your tax money may go to support programs you don't agree with you can't invest your money where you want you receive less of your money on each paycheque

MORE PRACTICE???

- Sean works as a building manager for a condominium management company in Halifax. His weekly salary is \$1000.00/week. What will his CPP deduction be?
- The following two people work for Reardon's Construction and Development in Newfoundland and Labrador. They earn \$14.50 an hour and are paid biweekly. Their CPP and EI contribution plus taxes average 30% of their gross pay. Find their net pay.
 - Shoshana works 37.5 hours a week in the office. She has biweekly deductions as follows: group insurance, \$2.74, dental plan, \$3.85, and union dues, \$6.95.
 - Ivan works 40 hours a week as a framer. He pays union dues of \$6.95.
- Louis earns \$550.00 a week as a shift foreman in a mine in New Brunswick. His claim code is 4 and he is paid semi-monthly. Which is higher, his federal tax deduction or his territorial tax deduction?

SOLUTIONS

- First find the CPP basic exemption. The 2011 exemption per week is \$67.31, so subtract this amount from Sean's weekly gross pay.
 $\$1000.00 - \$67.31 = \$932.69$
 Then multiply by the CPP contribution rate, 4.95%.
 $\$932.69 \times 0.0495 = \46.17
 Sean's CPP deduction will be \$46.17.
- Calculate the biweekly gross pay.
 $\$14.50 \times 37.5 \times 2 = \1087.50
 Deduct the before-tax benefits.
 $\$1087.50 - \$2.74 - \$3.85 - \$6.95 = \$1073.96$
 Calculate the taxable deductions.
 $\$1073.96 \times 0.30 = \322.19
 Subtract the taxable deductions from the taxable income to find the net pay.
 $\$1073.96 - \$322.19 = \$751.77$
 Shoshana's net pay is \$751.77.
- Calculate the semi-monthly gross pay.
 $\$550.00 \times \frac{52}{24} = \1191.67
 Look up the New Brunswick and federal tax tables. The answer here is based on the January 2011 tables.
 Federal tax is higher: \$64.10 compared to provincial tax of \$48.30.

- Calculate the biweekly gross pay.
 $\$14.50 \times 40 \times 2 = \1160.00
 Deduct the before-tax benefits.
 $\$1160.00 - \$6.95 = \$1153.05$
 Calculate the taxable deductions.
 $\$1153.05 \times 0.30 = \345.92
 Subtract the taxable deductions from the taxable income to find the net pay.
 $\$1153.05 - \$345.92 = \$807.13$
 Ivan's net pay is \$807.13.

Dec 19-10:45 PM

Employee Name: Sally Taylor				
Company:	Pay Begin Date:	Net Pay		
	Pay End Date:	Cheque Date: 08/23/2011		

General			Taxes Data	
Employee ID:	Job Title: Secretary		Description	Federal
Address:	Pay Rate: \$650.00/?	Annual: \$33,800.00	Claim Code	1

Hours and Earnings			Before-Tax Deductions		Taxes	
		Current	Description	Amt.	Description	Current
Description	Rate	Gross Earnings	Union Dues	\$25.68	Federal	
Regular	\$650.00/?	\$650.00	Pension	\$74.95	Provincial	
			Total		CPP	
					EI	
					Total	

Paycheque Summary				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
\$650.00				

- How often is Sally paid?
- Did Sally work any overtime? How do you know?
- Calculate the CPP (4.95%) and the EI (1.88%).
- What are Sally's before tax deductions?
- What is Sally's Taxable income?
- What claim code does Sally use?
- Calculate the Net Pay.

Oct 17-12:32 PM

Employee Name: Sally Taylor				
Company:	Pay Begin Date:	Net Pay		
	Pay End Date:	Cheque Date: 08/23/2011		

General			Taxes Data	
Employee ID:	Job Title: Secretary		Description	Federal
Address:	Pay Rate: \$650.00/?	Annual: \$33,800.00	Claim Code	1

Hours and Earnings			Before-Tax Deductions		Taxes	
		Current	Description	Amt.	Description	Current
Description	Rate	Gross Earnings	Union Dues	\$25.68	Federal	
Regular	\$650.00/?	\$650.00	Pension	\$74.95	Provincial	
			Total		CPP	
					EI	
					Total	

Paycheque Summary				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
\$650.00				

- How often is Sally paid?
 - $\frac{33800.00}{650.00} = 52$ weeks

Mar 15-10:03 AM

Employee Name: Sally Taylor		Pay Begin Date:		Net Pay		
Company:		Pay End Date:		Cheque Date: 08/23/2011		
General			Taxes Data			
Employee ID:		Job Title: Secretary		Description	Federal	
Address:		Pay Rate: \$650.00/? Annual: \$33,800.00		Claim Code	1	
Hours and Earnings			Before-Tax Deductions		Taxes	
Current			Description	Amt.	Description	Current
Description	Rate	Gross Earnings	Union Dues	\$25.68	Federal	
Regular	\$650.00/?	\$650.00	Pension	\$74.95	Provincial	
			Total		CPP	
					EI	
					Total	
Paycheque Summary						
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay		
\$650.00						

2. Did Sally work any overtime? How do you know?

No, her weekly pay rate is the same as her gross pay.

Mar 15-1:48 PM

3. Calculate the CPP (4.95%) and the EI (1.88%).

<p>CPP 1. .</p> <p>2.</p> <p>3.</p>	<p>EI</p> <p>650.00 x</p>
--	----------------------------------

Mar 15-1:51 PM

4. What are Sally's before tax deductions?

Employee Name: Sally Taylor				
Company:	Pay Begin Date:	Net Pay		
	Pay End Date:	Cheque Date: 08/23/2011		
General			Taxes Data	
Employee ID:	Job Title: Secretary		Description	Federal
Address:	Pay Rate: \$650.00/? Annual: \$33,800.00		Claim Code	1
Hours and Earnings			Before-Tax Deductions	
Current			Description	Amt.
Description	Rate	Gross Earnings	Union Dues	\$25.68
Regular	\$650.00/?	\$650.00	Pension	\$74.95
			Total	
Paycheque Summary				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
...\$650.00				

$$25.68 + 74.95 = \$100.63$$

Mar 15-1:59 PM

5. What is Sally's Taxable income?

Employee Name: Sally Taylor				
Company:	Pay Begin Date:	Net Pay		
	Pay End Date:	Cheque Date: 08/23/2011		
General			Taxes Data	
Employee ID:	Job Title: Secretary		Description	Federal
Address:	Pay Rate: \$650.00/? Annual: \$33,800.00		Claim Code	1
Hours and Earnings			Before-Tax Deductions	
Current			Description	Amt.
Description	Rate	Gross Earnings	Union Dues	\$25.68
Regular	\$650.00/?	\$650.00	Pension	\$74.95
			Total	100.63
Paycheque Summary				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
...\$650.00				

$$650.00 - 100.63 = \$549.37$$

Mar 15-2:03 PM

6. What claim code does Sally use?

Employee Name: Sally Taylor				
Company:	Pay Begin Date:		Net Pay	
	Pay End Date:		Cheque Date: 08/23/2011	
General			Taxes Data	
Employee ID:	Job Title: Secretary		Description	Federal
Address:	Pay Rate: \$650.00/?	Annual: \$33,800.00	Claim Code	1
Hours and Earnings			Before-Tax Deductions	
	Current		Description	Amt.
Description	Rate	Gross Earnings	Union Dues	\$25.68
Regular	\$650.00/?	\$650.00	Pension	\$74.95
			Total	
Paycheque Summary			Taxes	
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
..\$650.00				

Claim Code #1

Mar 15-2:05 PM

7. Calculate the Net Pay.

Gross Pay: \$650.00
CPP: \$30.31
EI: \$12.22
Before Tax Deductions: \$100.63
Prov Tax:
Fed Tax:

Taxable Gross : \$549.37

Mar 15-2:07 PM

Employee Name: Jim Daley		Company:		Pay Begin Date:	Net Pay:	
		Pay End Date:			Cheque Date: 08/23/2011	
General			Taxes Data			
Employee ID:		Job Title: Forest Surveyor		Description	Federal	
Address:		Pay Rate: \$2884.62/? Annual: \$75000.00		Claim Code	2	
Hours and Earnings			Before-Tax Deductions		Taxes	
Current			Description		Description	
Description	Rate	Gross Earnings	Amt.		Current	
Regular	\$2884.62/?	\$2884.62	Union Dues	\$35.68	Federal	
			Pension	\$200.54	Provincial	
			Total		CPP	
Paycheque Summary					EI	
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay		
-\$2884.62						

1. How often is Jim paid? How did you calculate this?
2. Calculate CPP (\$3500 exemption; 4.95%) and EI (1.88%).
3. What are Jim's before tax deductions?
4. What is Jim's Taxable income?
5. What claim code does Jim use?
6. Calculate the Net Pay.

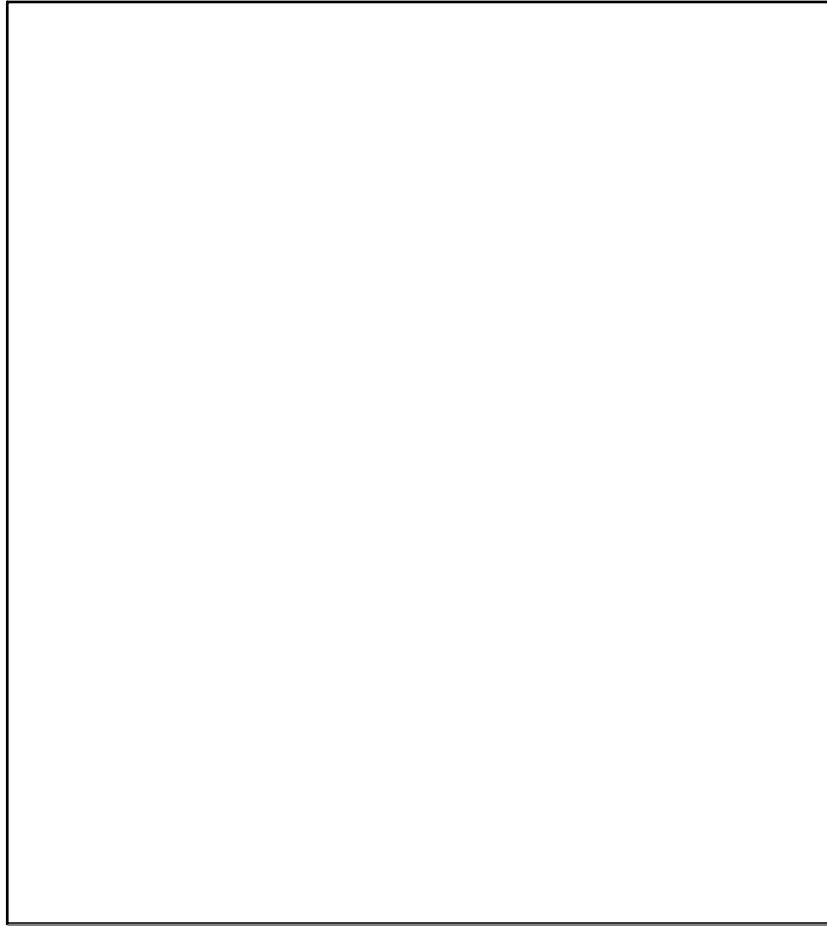
Oct 17-12:46 PM

ANSWERS

1. How often is Jim paid? How did you calculate this?
 $75000 / 2884.62 = 26$ pay periods
2. Calculate CPP (4.95%) and EI (1.83%).
 CPP $2750 \times 0.0495 = \$136.13$ EI $2884.62 \times 0.0188 = \54.23
3. What are Jim's before tax deductions?
 $35.68 + 200.54 = \$236.22$
4. What is Jim's Taxable income?
 $2884.62 - 236.22 = \$2648.40$
5. What claim code does Jim use?
 Claim Code 2
6. Calculate the Net Pay. **Taxable Gross: 2648.40**
 Fed: \$ Pro: \$ CPP: \$ EI: \$

Net Pay = Gross - before tax deductions- income tax - CPP - EI

Mar 15-10:03 AM



Dec 18-9:11 PM

Attachments

CPP 2013.pdf

EI 2013.pdf

NB Tax 2013.pdf

2.4 Build Your Skills Detailed Solutions.pdf

Assignment - Earning an Income May 2013.doc

Assignment - Earning an Income Dec. 2015.doc

Tables - Fed_Prov Tax and CPP_EI July 2015.pdf