

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

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

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

**1. How often is Sally paid?**

a)  $\frac{33800.00}{650.00} = 52$  weeks

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

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

**CPP** 1.  $\frac{3500}{52} = 67.31$

2.  $650.00 - 67.31 = \$582.69$

3.  $582.69 \times 0.0495 = 28.84$

**EI**

$650.00 \times 0.0188 = \$12.22$

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## 4. What are Sally's before tax deductions?

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

$$25.68 + 74.95 = \$100.63$$

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## 5. What is Sally's Taxable income?

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

$$650.00 - 100.63 = \$549.37$$

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## 6. What claim code does Sally use?

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

# Claim Code #1

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## 7. Calculate the Net Pay.

**Gross Pay:** \$650.00  
**CPP:** \$28.84  
**EI:** \$12.22  
**Before Tax Deductions:** \$100.63  
**Prov Tax:**  
**Fed Tax:**

**Taxable Gross : \$**

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

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.

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### 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

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**INSTRUCTIONS: Show all your work in the space provided and put your solution in the given blank/chart.**

If the superintendent of schools earns an annual salary of \$105 850, determine their bi-weekly gross pay. [2]

$$105\ 850 \div 26$$

Bi-Weekly Gross Pay - \$ 40 71.15

Wade earns \$11.25/hour working at Trevors Nissan washing cars. He is paid time and a half for any hours worked beyond 40 hours in one week. Determine his gross pay for each of the following weeks: [4]

a) 36 hours worked  $11.25 \times 36 = 405$

b) 48 hours worked  $(11.25 \times 40) + (11.25 \times 1.5) \times 8$   
 $450 + (16.88 \times 8)$   
 $450 + 135$   
 $585$

Gross Pay - \$ 405                      Gross Pay - \$ 585

Robert, a sales person at Leon's Furniture in Moncton, earns \$12/hr plus 2.75% commission on his total sales. Last week he worked 34 hours and sold a living room set valued at \$2599 and a dining room table worth \$1800. Determine Robert's gross pay last week. [3]

hourly  $12 \times 34 = 408$

Commission  $2599 + 1800 = 4399 \times 0.0275 = 120.97$

Gross Pay - \$ 528.98

Jeffrey worked this past summer picking blueberries on the Plains Road. He was paid \$1.75 per litre of blueberries, plus \$6.75/hour. One week he worked 46 hours and picked 110 litres of blueberries, what was his gross pay for this week? [3]

$46 \text{ hr} \times 6.75 = 310.50$                        $110 \text{ L} \times 1.75 = 192.50$

Gross Pay - \$ 503

7. Determine the net pay for each of the following weekly gross earnings using the weekly tax tables: [15]

a) \$940.25 (Claim Code 5) with... medical \$12.25 & dental \$8.35

|                      |           |
|----------------------|-----------|
| Gross Earnings       | \$ 940.25 |
| Union Dues / Pension | \$ 0      |
| Taxable Income       | \$ 940.25 |
| Federal Tax          | \$ 91.45  |
| Provincial Tax       | \$ 62.60  |
| P.P.                 | \$ 43.21  |
| E.I.                 | \$ 17.68  |
| Other Deductions     | \$ 20.60  |
| Net Pay              | \$ 716.71 |

b) \$975.82 (Claim Code 2) with... union dues \$12.02, life ins. \$5.30 & car payment \$115

|                      |           |
|----------------------|-----------|
| Gross Earnings       | \$ 975.82 |
| Union Dues / Pension | \$ 12.02  |
| Taxable Income       | \$ 963.80 |
| Federal Tax          | \$ 108.25 |
| Provincial Tax       | \$ 76.80  |
| C.P.P.               | \$ 44.97  |
| E.I.                 | \$ 18.35  |
| Other Deductions     | \$ 120.30 |
| Net Pay              | \$ 600.13 |

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works at Pizza Delight as a waiter where he is paid \$15.50 per hour, plus 80% of the tips he collects. Last week he worked 38 hours and collected \$315 in tips. In addition to C.P.P., E.I., and income tax, he also paid a \$3.65 uniform fee, a \$5.80 deduction for a life insurance policy, and \$12.45 for dental benefits. Determine his net pay, given that he falls under claim code 1. [9]

Partially

Gross Earnings  $15.50/\text{hr} + 80\% \text{ tips}$   
 $15.50(38 \text{ hr}) + 0.8 \times 315$   
 $589 + 252$   
 $= 841$

|                      |           |
|----------------------|-----------|
| Gross Earnings       | \$ 841    |
| Union Dues / Pension | \$ 0      |
| Taxable Income       | \$ 841    |
| Federal Tax          | \$ 82.35  |
| Provincial Tax       | \$ 61.80  |
| C.P.P.               | \$ 38.30  |
| E.I.                 | \$ 15.81  |
| Other Deductions     | \$ 21.90  |
| Net Pay              | \$ 620.54 |

7. Fill in the shaded boxes on the pay stub shown below: [8]

|                 |          |               |                 |                     |           |
|-----------------|----------|---------------|-----------------|---------------------|-----------|
| Company Number  | 31415926 | Company Name  | Irrational Inc. | C.P.P.              | \$ 43.45  |
| Employee Number | 99-5387  | Employee Name | Anita Sumcash   | E.I.                | \$ 17.77  |
| Earnings        | Hours    | Rate          | Earnings        | INCOME TAX (CODE 3) | \$ 164.15 |
| Normal Pay      | 37.5     | \$22.50       | \$ 843.75       | Dental              | \$5.32    |
| Overtime        | 3        | \$33.75       | \$ 101.25       | Life Insurance      | \$11.90   |
|                 |          | Gross Pay     | \$ 945.00       | Total Deductions    | \$ 242.59 |
|                 |          |               |                 | Net Pay             | \$ 702.41 |

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