

Oct 4- looked through text book together.

- tables at canada.ca or
% used to calculate deductions
- taxable income, tax credits, benefits - all related to deductions
- No homework!

$$\frac{\text{ded}}{\text{gross pay}} \times 100 = \boxed{} \%$$

$$\frac{86.12}{500} \times 100 = \underline{\underline{17.22\%}}$$

Q. If my gross pay is \$100, what are my deductions?

A. deds are 17.22% of gross pay
 0.1722×100
 $= \underline{\underline{\$17.22}}$

Q. if CPP is 4.95% and my gross pay is \$100, what is my CPP deduction?

A. \$4.95

Q. if EI is 1.73% of gross pay and my gross pay is \$200, what is my EI ded? \rightarrow \$3.46

\$1.73 for \$100

Q. \$346 gross pay - EI is

EI is 1.73% of gross pay

$$0.0173 \times \$346$$

$$5.9858$$

$$\boxed{\$5.99}$$

Pension (not CPP)

deduction → invested by your
pension provider.

Workplace ↙

→ grows

→ at retirement you
get monthly cheques
from retirement plan

→ regular income when
you are not working

Sometimes you can
receive pension early.

taxable income vs non-taxable income

one is "taxable" → govt takes off
income tax

one is not.

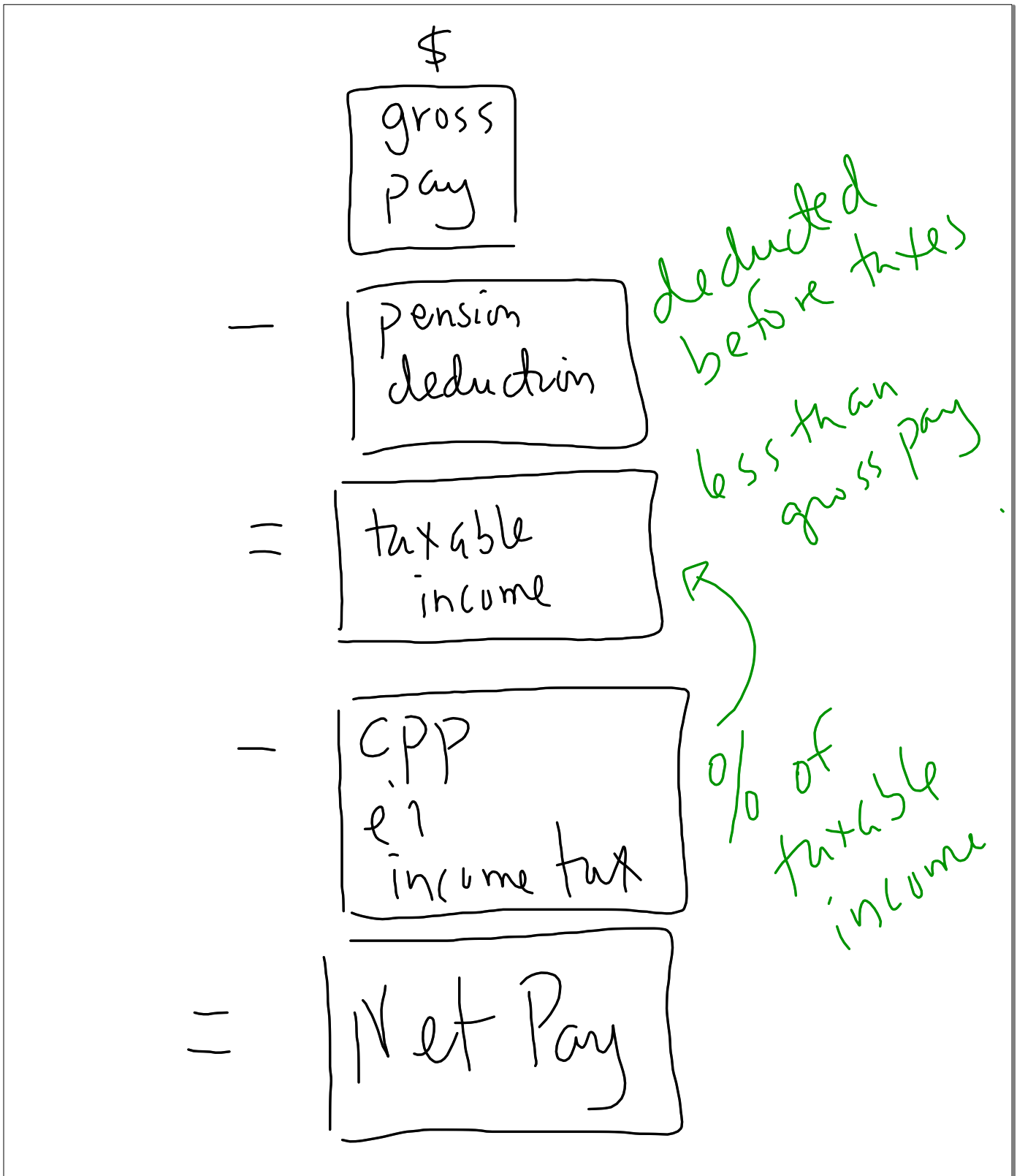
Q. Does this change your earnings?

A. Yes

Pension - regular pay to a retired person because they contributed to a pension plan.

① income is calc with that number.

② some ded happen before this. ex pension



Section B - Canada Pension Plan contributions tables

- [52 pay periods a year \(Weekly\). \[PDF\]](#)
 - * [26 pay periods a year \(Biweekly\). \[PDF\]](#)
 - [24 pay periods a year \(Semi-monthly\). \[PDF\]](#)
 - [12 pay periods a year \(Monthly\). \[PDF\]](#)
- } different

biweekly is every 2 weeks

vs
semi-monthly is 2 times a month

Oct 5

Net Pay = Gross Pay - Deductions

↳ also "take home pay"

↳ amount of the cheque or deposit

↳ always smaller.

Benefits - are sometimes deductions

ex. glasses are free

but you have paid a
monthly premium
(deduction)

- Some are "perks"
to where you work

ex gym

ex discount at work
for food (50%) or
merchandise (10%)

Two ways to calculate
CPP, ei, and income tax

① Use a % and multiply

② use a table from
Canada.ca

pt 90

Pay statement: ex. p83

- dates of work + hours + pay rate
- Net Pay
- deductions (CPP, EI, inc tax, etc)
- gross pay

can be given on paper
or electronically

paid in cash?

Q is there a record of this?

Q Are there deductions?

Q Income Tax?

Sounds like tips.

P83 Net Pay: \$413.88
Gross Pay: \$500

Q what % was deducted?

$$\frac{\text{ded}}{\text{gross pay}} \times 100 = \boxed{}\%$$

$$\frac{86.12}{500} \times 100 = 17.22\%$$

CPP 4.95% OF gross pay
0.0495 x 500 = \$24.75

EI 1.73% OF gross pay
0.0173 x 500 = \$8.65

1.73 per 100

$$\frac{1.73}{100} \rightarrow 0.0173$$

taxable income - income that
is taxable.

pension deductions are not
taxed. They happen before
taxes are calculated.

- Work on

p 87 Q 1-7

omit Q 6.

p 89 Q 1-9

- Next is a Review
- Test

Oct 6

Q5 ignore the exemption

Assumptions

1 year has 52 weeks

1 month \neq 4 weeks

$$\frac{52}{12} = 4.3333 \text{ weeks in a month}$$

1 year has 365 days

Leap year means

(Feb has 29 days.

→ once every 4 years

2020

2024??

Biweekly = 26 pay periods

$52 \div 26 = 2$ every 2 weeks

I get paid. - Not the

same as twice a month.

Semi-monthly = 24 pay periods
middle + end of the month.

P87 Q2

$$\$1458 \times \overset{24}{\underbrace{(2 \times 12)}} = \$34992$$

twice
a
month months

$$\underbrace{\$1346} \times 26 = \$34996$$

(52 ÷ 2)

→ smaller but 2 more of them.

Yearly Salary \div 26 = smaller
gross pay
+
ded

vs

Yearly Salary \div 24 = bigger
gross
pay
+
ded

Q1 P 87

- Taxable income is gross pay subtract pension contribution.
- pension is not taxed.
deduction
- makes your ^{income} tax less

premium - payment or deduction

Q3 Two ways to find EI.

- Use a table at canada.ca
- ✓ • multiply gross pay by 1.73%

Q4 Do I subtract pension and union dues to find taxable income? Use your phone!