

Earning an Income

gross pay - \$ earned before deductions.



- earnings
- income

- pay cheque is the same as your calculated pay, not smaller!

deductions - subtracted from gross pay.

Terms - Vocabulary

Gross Pay -

↓
· earnings
· income

money before deductions

Deductions - \$ deducted / removed from our pay.

* most young people don't have many deductions.

Sample deductions

- No such thing as "taxes".
- income tax
- employment insurance - EI
- Canada Pension Plan - CPP
- dental plan
- union dues

Formula - Add to your study sheet

$$\text{Net Pay} = \text{Gross Pay} - \text{Deductions}$$

Net Pay - pay you take home
- pay after deductions

→ called "take home pay"

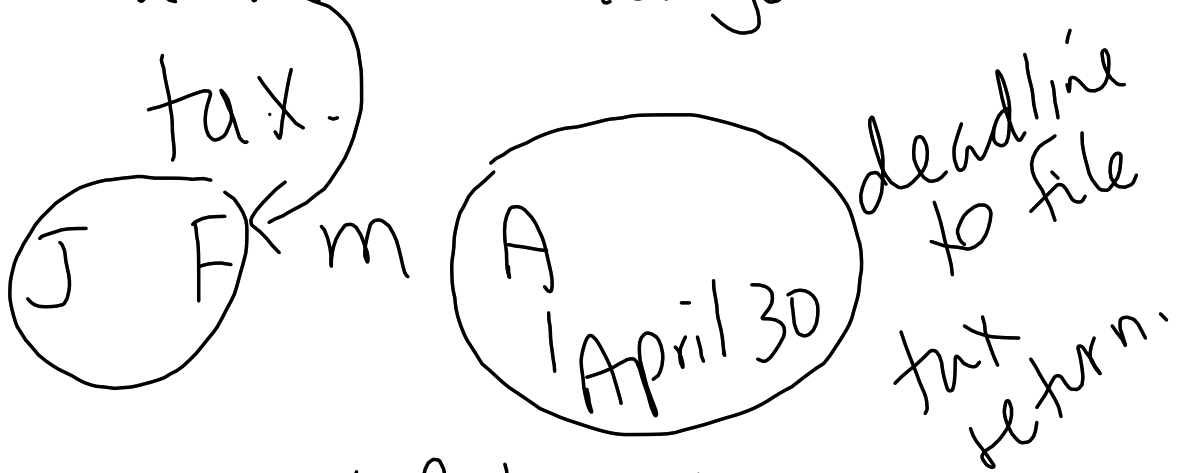
→ amount on the
cheque.

→ amount of direct
deposit.

Under 18, minimal deductions

BUT... you can get most deductions back.

In the new year, you will get a T4 and file your income tax.



T4 - total hours
total pay
total deductions

Ways to Earn Income

Common method - hourly wage -

- paid per hour worked.
- MB - minimum wage is \$11.90 per hour worked.
- you should not earn less!

Piecework - Ex Berry Hill Farms

- paid per "piece".

\$22 for a pail of berries

\$5 paid to worker

\$17 profit

4 pails per hour =
 $\$5 \times 4 = \$20/\text{hour}$

Performance based pay

Sept 14

- more performance means more pay.
- penalties for not meeting requirement
ex. green berries

Ex. assembling bikes at Walmart. \$10 / bike

Ex. Paper Route
• Flyers

• Tree planting

~~\$35 / tree~~

\$0.15 / tree

Contract

Ex. mowing lawns for a
agreed on rate. \$20/cut.

• raking leaves

* time it takes does not change
the pay.

• shovel snow

Salary - paid per year but
pay is divided up.

- paid monthly or
every 2 weeks.

Ex. police, teacher, managers

Royalty - fees paid to an artist or musician.

Commission - paid a % of your sales.

Ex - sales person at a car dealer gets a 3% ^{low} % commission on a sale.

Bob the salesman sells RD a chromecast for \$30.

Pay for Bob is $\$30 \times 0.03 = \underline{\underline{\$0.90}}$

Some sales jobs are paid
hourly wage plus commission.

Overtime pay is usually
1.5 x your hourly rate.

Salary does not get overtime
pay.

Normal work week has 40 hours.

Overtime - extra pay for hours
worked over 8 per day or
40 per week.

→ pay rate x 1.5

$$\text{Ex } \$11.90 \times 1.5 = \$17.85/\text{hour}$$

TIPS - given to worker by
customer

Ex. waiter, waitress

- sometimes you "pool"
your tips and share with
other workers.
- boosts your pay.

Sept 21

cents are a portion of a dollar

1.6

Calculating Income: Piecework

10 cents = 0.10 dollars

convert to \$

Try These

i) 10¢ = \$ 0.10

ii) 35¢ = \$ 0.35

iii) $\begin{array}{r} \times \\ \$0.18 \times 2560 = \$ \end{array}$ 460.80

iv) $\begin{array}{r} \times \\ 0.45 \times 345 = \$ \end{array}$ 155.25

Dominic delivers catalogues. He is paid 30¢ for each catalogue he delivers. Last night he delivered 243 catalogues. How much did Dominic earn last night?

- 1 How much does Dominic get paid per catalogue?

30¢ = \$ 0.30

- 2 How much did Dominic earn last night?

\$ 0.30 × 243 = \$ 72.90

Example

Rosco sells programs at the Edmonton Oilers hockey games. He earns \$20 per game plus 23¢ for each program he sells. Last game he sold 244 programs. How much did he earn?

Solution

- A. How much does Rosco get paid per program?

23¢ = \$ 0.23

- B. How much did Rosco earn in program sales?

\$ 0.23 × 244 = \$ 56.12

- C. How much did Rosco earn last game?

\$ 20 + \$ 56.12 = \$ 76.12

REFLECTING

How does piecework benefit the worker? How does piecework benefit the employer?

doctor
Fee per patient appt.

Communication

tel.	25¢	331 calls	\$82.75
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1.7

Quiz Question

Comparing Types of Income

Try These

i) $1.5 \times 40 \times \$12.50 = \$$ 750

ii) $\$65\,000 \div 52 = \$$ 1250

? 52 weeks in a year
 $\div 40$
\$31.25 per hour *

Paul earns \$9.40/h. Yvonne earns \$8.10/h and gets time and a half for hours worked over 40 h per week. Compare their incomes for working 50 h one week.

1 How much does Paul earn?

$\$9.40/h \times 50 h = \$$ 470.00

2 How much does Yvonne earn?

$\$8.10/h \times 40 h + \$8.10/h \times 1.5 \times 10 h = \$$ 445.50

3 Who earns more? Paul

How much more? $\$470 - \$445.50 = \$$ 24.50

Paul earns 24.50 more than Yvonne.

Why only 50 weeks?
 2 weeks holidays

Example 1

Sanjay is a waiter and Jon sells magazine subscriptions. Who has the higher gross annual income if they both work 50 weeks?

- Sanjay: \$8.00/h 40 h per week \$300/week in tips
- Jon: \$280/week 4% commission \$3300/week in sales

Solution

A. How much does Sanjay earn each year from his hourly wage?

$\$8.00/h \times 40 h \times 50 = \$$ 16,000 per year

B. How much does Sanjay earn each year from tips?

$\$300/week \times 50 weeks = \$$ 15,000

annual income

useless - convert to decimal total .04
 Tips: who do you tell?

C. What is Sanjay's gross income for one year?

$\$16000 + \$15000 = \$31000$

D. How much does Jon earn each year from his weekly salary?

$\$280/\text{week} \times 50 \text{ weeks} = \14000

E. How much does Jon earn each year from commission?

4% of $\$3300 \times 50 = \6600 $0.04 \times 3300 = \$132/\text{wk}$

F. What is Jon's gross income for one year?

$\$14000 + \$6600 = \$20600$

G. Who has the higher gross annual income?

Sanjay earns $\$31000$ vs Jon's $\$20600$

Example 2

Jody installs and repairs telephones. She earns \$21.20/h plus time and a half for any hours she works over 40 hours a week. Last week she worked 49 hours.

Aidan earns an annual salary of \$43 000 as the director of sales at a computer company.

Who had the higher gross income last week?

Solution

A. How much did Jody earn for the first 40 h she worked?

$\$21.20/\text{h} \times 40 \text{ h} = \848

B. How much did Jody earn in overtime for the week?

$\$9/\text{h} \times 21.20 \times 1.5 \text{ h} = \286.20

C. What was Jody's gross income for last week?

$\$848 + \$286.20 = \$1134.20$

D. What was Aidan's gross income for the week?

$\$43000 \div 52 = \826.92

E. Who had the higher gross income for the week?

Jody had the higher gross income.

REFLECTING

What are some advantages and disadvantages of how Jody and Aidan are paid?

$43000 \div 52 = 826.92$

Time cards (clocking in,
punch in)

- HW ask if parent or sibling has ever used one.
- HW - commission?

Hockey Player only earns

\$650,000 per year.

Is that more than minimum
wage?

$$650000 \div 52 \div 40$$

@ Hourly pay

$$= \underline{\underline{\$312.50/hr}}$$

Assume: 52 weeks

Assume: 40 hours per week

$$\underline{\underline{\$11.90 \times 40 \times 52 = \$24752}}$$

Q2.

Mindy \$ 24.50 / hr

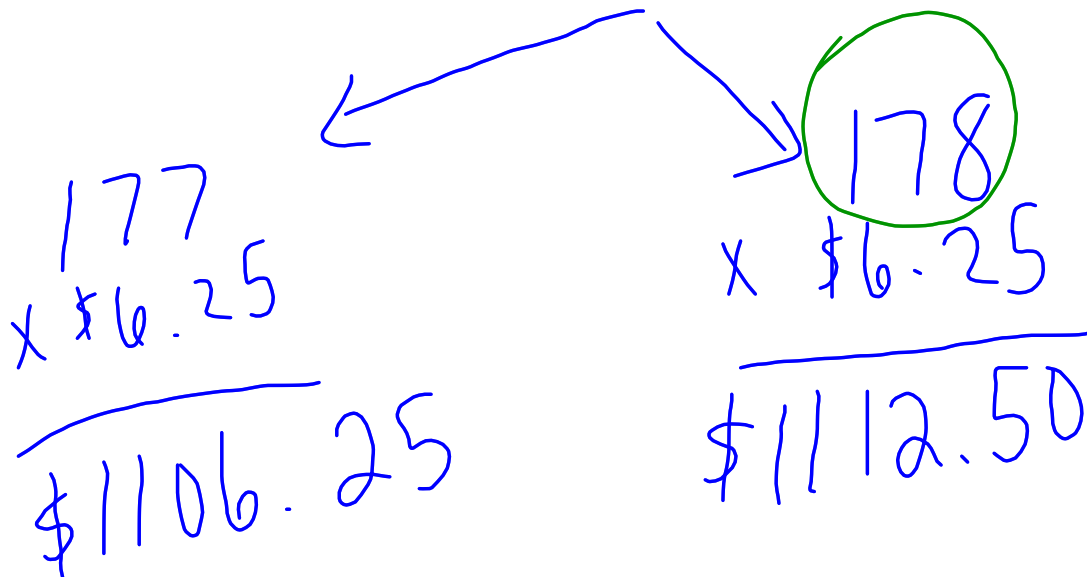
shift premium - extra pay for less desirable shifts.

Ex. night shift

45 hours	x 24.50	= \$980
40		
5 after 8 pm	x (24.50 + 1.50)	= 130
	\$26.00	<u>\$1110</u>

Bridgit \$6.25 per computer

\$1110 ÷ 6.25 = 177.6



Q1 What hourly pay is \$34000/yr?

$$\begin{array}{r} \$34000 \div 50 \div 40 \\ \text{weeks} \quad \text{hours} \end{array}$$

$$= \underline{\underline{\$17 \text{ per hour}}}$$

Q3

Job A

$$\begin{array}{r} \$9.25/\text{hr} \\ \times 35 \text{ hrs} \\ \hline \$323.75 \\ \text{per week} \\ \underline{\underline{\hspace{1.5cm}}} \end{array}$$

Job B

hourly +	Commission
\$8.10/hr	5% OF
x 20 hrs	\$3000
+ +	0.05
\$162	x 3000
	\$150

$$\begin{array}{r} \swarrow \quad \searrow \\ \$312 \text{ per} \\ \text{week} \\ \underline{\underline{\hspace{1.5cm}}} \end{array}$$

Sep 28

Time Cards - record of your arrival and departure from work.

8 am	12 pm	1 PM	5 pm = 1 day
IN	OUT	IN	OUT

$12 - 8 = 4 \text{ hrs} + 5 - 1 = 4 \text{ hrs} = 8 \text{ hrs}$

7:59 am	12:01 pm	12:57 pm	5:03 pm = ?
counts as 8:00	56 min - ok		5:00 pm

8:03 am	11:58 am	1:02 pm	4:59 pm
15 min penalty 8:15	lunch 1 hr 15 min	12:58	15 min penalty 4:45 pm

Early changes nothing, leaving late changes nothing. Lunch must be 1 hour OR 60 minutes
7 hrs 15 min = 7.25 hrs

penalties 15, 15, 15 = 45 min = 0.75 hrs
date left early lunch

Deduction called EI is 1.73% of
your gross pay. Calculate
EI for gross pay of \$490.00.

pull out this:

1.73% OF \$490 is EI

$$\begin{aligned} 0.0173 \times 490 &= 8.477 \\ &= \underline{\underline{\$8.48}} \end{aligned}$$

work shown is $\frac{1}{2}$ your mark.

answers are $\frac{1}{2}$ your mark.

units are $\frac{1}{2}$ your mark.

$$\text{answers} = \frac{2.5}{5}$$

$$\text{answers with no units} = \frac{0}{5}$$

Communication

\$? number

Core Skills

1. $5 \div 100 = 0.05$

2. $7\% \rightarrow 7 \div 100 = 0.07$
use this for calculating

3. 3% OF $180 = 5.4$
 0.03 X

4. a) $7.5 \text{ hrs} = 7 \text{ hrs } 30 \text{ min}$

5. c) $13 \text{ hrs } 20 \text{ min}$

13 $20 \div 60 = 0.3333$

13.33 hrs

$0.\overline{33}$ Very bad

$0.\overline{66}$ " "

0.67 ✓

Rounding!

Common Mistakes

#1

5a) 10 hrs 30 min = 10.3 hrs

Assume 100 min in an hour.

$$\frac{30}{100} = 0.3$$

Correction
$$\frac{30}{60 \text{ min}} = 0.5$$

#2 13 hrs 20 min = 13.3 hrs

0.3^{hrs} is different than

0.33

$$\begin{array}{r} \downarrow \\ \times 60 \\ \hline 18 \text{ min} \end{array}$$

$$\begin{array}{r} \downarrow \times 60 \\ \hline 19.8 \text{ min} \end{array}$$

$$0.333 \times 60 = 19.98$$

$$0.3333 \times 60 = 19.998$$

Be aware that 1 hour = 60 min
1 min = 60 sec

No 100 in this!

Common mistakes

#1 10 hours 20 min = 10.3 hrs

Take $0.3 \text{ hrs} \times 60 = \underline{18}$ ^{unit} minutes

Take $0.33 \times 60 = \underline{19.8}^{20}$ mins

Take $0.3333 \times 60 = \underline{19.998}^{20}$ min

$0.333333 \times 60 = \underline{19.99998}^{20}$

$0.\overline{33}$ Very bad

$0.\overline{66}$ " "

0.67 ✓

	True(given)	Solve
Label Small Henry	$\frac{10}{100}$	$\frac{72000}{100}$
Label Big Clients	$\frac{100}{10}$	$\frac{720000}{10}$

$10 \text{ purr } 100$
 $100 \times 72000 \div 10 = \$720,000$

\$299 Reg 300

\$199 Sale 200

Save 100
 $\frac{100}{300} = \frac{1}{3}$

Q what % saved ?

Save \$100

Save : $\frac{100}{299} = \frac{33.44}{100}$ %
Reg

$\frac{\text{Number}}{100}$

Big Assumption

year is 52 weeks

because even if you only
work 50 weeks, you
get 2 weeks of paid
holidays.

EI

CPP

} pay a "premium"
monthly fee

in the future I can get
this money back.

→ monthly cheques from govt
once you are 60 years old.

→ have a baby, collect
maternity benefits
(cheque monthly)

"Dad" can also collect
paternity benefits.

but not both.

→ lose your job
- seasonal workers

INCOME TAX

- big deduction
- you can get some of it back when you file your taxes.
- deadline to file your taxes is April 30th.