REVIEW: Unit #2 Income

1. Gustav earns a 5% commission on all sales he makes at the car dealership. He sells 4 cars for $23799.00, $29748.75, $17849.25, and $33318.60. How much does Gustav make on these sales?

$5235.78

2. Rachelle earns a 12% commission on all sales she makes at a clothing store. She also earns $9.45/hour. If she makes clothing sales of $27.99, $34.99, $20.99, and $39.19 in a 5.75-hour shift, how much does she make for the day?

$69.12

3. How much money should you leave on a bill of $28.07 if you want to tip 20%?

$5.61.

4. Krystof earns $15.55/h for regular hours of work, time and a half overtime, and a shift premium of $2.25 for split shifts. His regular work week is 40 hours. If he works a total of 45 hours and works 6 split shifts, how much does he earn for the week?

$752.12

5. Charlotte’s gross weekly salary is $675.00. She has before-tax deductions that total $90.01. What is her federal tax rate if she pays $47.97 in federal taxes?

8.2%.

6. Inaya works 40 hours a week and earns an hourly wage of $13.07. Use the tables below to calculate her net weekly pay. She is assigned claim code 1.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Federal tax deductions**  Effective January 1, 2010  Weekly (52 pay periods a year)  **Also look up the tax deductions in the provincial table** | | | | | | | | | | | |
| Pay | Federal claim codes | | | | | | | | | | |
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| From – Less Than | Deduct from each pay | | | | | | | | | | |
| 460 - 464 | 62.15 | 32.20 | 29.35 | 23.60 | 17.90 | 12.15 | 6.45 | 0.70 |  |  |  |
| 464 - 468 | 62.70 | 32.75 | 29.90 | 24.15 | 18.45 | 12.70 | 7.00 | 1.25 |  |  |  |
| 468 - 472 | 63.25 | 33.30 | 30.45 | 24.75 | 19.00 | 13.30 | 7.55 | 1.85 |  |  |  |
| 472 - 476 | 63.80 | 33.85 | 31.00 | 25.30 | 19.55 | 13.85 | 8.10 | 2.40 |  |  |  |
| 476 - 480 | 64.40 | 34.45 | 31.55 | 25.85 | 20.10 | 14.40 | 8.70 | 2.95 |  |  |  |
| 480 - 484 | 64.95 | 35.00 | 32.15 | 26.40 | 20.70 | 14.95 | 9.25 | 3.50 |  |  |  |
| 484 - 488 | 65.50 | 35.55 | 32.70 | 26.95 | 21.25 | 15.50 | 9.80 | 4.05 |  |  |  |
| 488 - 492 | 66.05 | 36.10 | 33.25 | 27.55 | 21.80 | 16.10 | 10.35 | 4.65 |  |  |  |
| 492 - 496 | 66.60 | 36.65 | 33.80 | 28.10 | 22.35 | 16.65 | 10.90 | 5.20 |  |  |  |
| 496 - 500 | 67.20 | 37.25 | 34.35 | 28.65 | 22.90 | 17.20 | 11.50 | 5.75 | 0.05 |  |  |
| 500 - 504 | 67.75 | 37.80 | 34.95 | 29.20 | 23.50 | 17.75 | 12.05 | 6.30 | 0.60 |  |  |
| 504 - 508 | 68.30 | 38.35 | 35.50 | 29.75 | 24.05 | 18.30 | 12.60 | 6.85 | 1.15 |  |  |
| 508 - 512 | 68.85 | 38.90 | 36.05 | 30.35 | 24.60 | 18.90 | 13.15 | 7.45 | 1.70 |  |  |
| 512 - 516 | 69.40 | 39.45 | 36.60 | 30.90 | 25.15 | 19.45 | 13.70 | 8.00 | 2.25 |  |  |
| 516 - 520 | 70.00 | 40.05 | 37.15 | 31.45 | 25.70 | 20.00 | 14.30 | 8.55 | 2.85 |  |  |
| 520 - 524 | 70.55 | 40.60 | 37.75 | 32.00 | 26.30 | 20.55 | 14.85 | 9.10 | 3.40 |  |  |
| 524 - 528 | 71.10 | 41.15 | 38.30 | 32.55 | 26.85 | 21.10 | 15.40 | 9.65 | 3.95 |  |  |
| 528 - 532 | 71.65 | 41.70 | 38.85 | 33.10 | 27.40 | 21.70 | 15.95 | 10.25 | 4.50 |  |  |
| 532 - 536 | 72.20 | 42.25 | 39.40 | 33.70 | 27.95 | 22.25 | 16.50 | 10.80 | 5.05 |  |  |
| 536 - 540 | 72.80 | 42.85 | 39.95 | 34.25 | 28.50 | 22.80 | 17.10 | 11.35 | 5.65 |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Manitoba provincial tax deductions**  Effective January 1, 2010  Weekly (52 pay periods a year)  **Also look up the tax deductions in the federal table** | | | | | | | | | | | |
| Pay | Provincial claim codes | | | | | | | | | | |
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| From – Less Than | Deduct from each pay | | | | | | | | | | |
| 493 - 501 | 50.45 | 33.55 | 31.80 | 28.30 | 24.75 | 21.25 | 17.75 | 14.20 | 10.70 | 7.20 | 3.65 |
| 501 - 509 | 51.25 | 34.35 | 32.60 | 29.10 | 25.55 | 22.05 | 18.55 | 15.00 | 11.50 | 8.00 | 4.45 |
| 509 - 517 | 52.05 | 35.15 | 33.40 | 29.90 | 26.40 | 22.85 | 19.35 | 15.85 | 12.30 | 8.80 | 5.30 |
| 517 - 525 | 52.85 | 36.00 | 34.20 | 30.70 | 27.20 | 23.65 | 20.15 | 16.65 | 13.10 | 9.60 | 6.10 |
| 525 - 533 | 53.70 | 36.80 | 35.00 | 31.50 | 28.00 | 24.45 | 20.95 | 17.45 | 13.95 | 10.40 | 6.90 |
| Tables courtesy Canada Revenue Agency. Reproduced with permission of the minister of Public Works and Government Services Canada, 2010. | | | | | | | | | | | |

|  |  |
| --- | --- |
| **Canada Pension Plan contributions**  Weekly (52 pay periods a year) | |
| Pay | CPP |
| From – To |
| 521.75 - 521.94 | 22.50 |
| 521.95 - 522.14 | 22.51 |
| 522.15 - 522.35 | 22.52 |
| 522.36 - 522.55 | 22.53 |
| 522.56 - 522.75 | 22.54 |
| 522.76 - 522.95 | 22.55 |
| 522.96 - 523.15 | 22.56 |
| 523.16 - 523.36 | 22.57 |
| 523.37 - 523.56 | 22.58 |
| Employee’s maximum CPP contribution for the year 2010 is $2163.15 | |

|  |  |
| --- | --- |
| **Employment Insurance Premiums** | |
| Insurable Earnings | EI Premium |
| From – To |
| 520.53 - 521.09 | 9.01 |
| 521.10 - 521.67 | 9.02 |
| 521.68 - 522.25 | 9.03 |
| 522.26 - 522.83 | 9.04 |
| 522.84 - 523.41 | 9.05 |
| 523.42 - 523.98 | 9.06 |
| 523.99 - 524.56 | 9.07 |
| 524.57 - 525.14 | 9.08 |
| 525.15 - 525.72 | 9.09 |
| Yearly maximum insurable earnings are $43 200.00  Yearly maximum insurable earnings are $747.36  The premium rate for 2010 is 1.73% | |
| Tables courtesy Canada Revenue Agency. Reproduced with permission of the minister of Public Works and Government Services Canada, 2010. | |

$414.61.

7. Below is Robert’s pay statement. Use the information to answer the following questions.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Employee Name: Robert** | | | | | | | | |
| **Company:** | | **Pay Begin Date:07/15/2010** | | | | | **Net Pay:** | |
| **Pay End Date:07/28/2010** | | | | | **Cheque Date:** | |
|  | | | | | | | | |
| **General** | | | | | |  | **Taxes Data** | |
| Employee ID: 123123 | | | Job Title: | | |  | **Description** | **Federal** |
| Address: | | | Pay Rate: $1525.00 | | |  | Claim Code | **1** |
| Annual: | | |  |  |  |
|  | | | | | |  | **Taxes** | |
| **Hours and Earnings** | | |  | **Before Tax Deductions** | |  | **Description** | **Amount** |
|  | **Current** | |  | **Description** | **Amount** |  | Federal | $148.95 |
| **Description** | **Rate** | **Gross Earnings** |  | Union Dues | N/A |  | Provincial | $55.35 |
|  | Pension | N/A | CPP | $75.49 |
| Regular |  |  |  | Total | $0.00 | EI | $26.38 |
|  |  |  |  |  |  | Total |  |

a) What is Robert’s gross pay per paycheque?

$1525.00

paid every 2 weeks

b) How often is Robert paid? How can you tell?

c) What is Robert’s gross annual income?

$39650.00

d) How much does Robert pay in deductions each paycheque?

$306.17

e) What is Robert’s net annual income?

$31689.58

8. Jonas’s time card is shown below. If he earns $8.75/hour, how much did he earn this week?

|  |  |  |  |
| --- | --- | --- | --- |
| **Time card: Jonas** | | | |
| **Day** | **In** | **Out** | **Hours** |
| Monday | 8:45 | 6:00 |  |
| Tuesday | 9:00 | 3:15 |  |
| Wednesday | 9:15 | 4:00 |  |
| Thursday | 8:15 | 4:30 | 39.25 hrs |
| Friday | 9:00 | 5:45 |  |

$343.44

9. Lewis earns a 30% commission on all sales he makes at a home appliance store. If he earned $1440.00 in commissions last week, how much did he sell?

$4800.00.

10. Chung-ho works at a pharmacy stocking shelves. He receives a shift premium of $2.50/hour on top of his regular wage of $10.65/hour for any hours he works after 8:00 pm.

Last week Chung-ho worked Monday to Friday from 2:00 pm until 10:00 pm. Calculate his earnings for the week.

$451.00

11. Lucas paid 1.73% of his taxable income of $1325.00 to Employment Insurance. What was the EI deduction?

$22.92

12. You pay 34% of your salary in deductions. If your gross pay is $778.00 every two weeks, what is your net biweekly pay?

|  |  |  |  |
| --- | --- | --- | --- |
| A. | $513.48 | C. | $564.83 |
| B. | $2288.24 | D. | $385.11 |

13. What percentage is being deducted from your wages if you earn $802.00/week and pay $39.70 for CPP, $13.87 for EI, $78.60 for federal tax, and $29.67 for provincial tax?

|  |  |  |  |
| --- | --- | --- | --- |
| A. | 20.18% | C. | 18.16% |
| B. | 16.14% | D. | 22.2% |

14. What is Hank’s net pay if he has a gross income of $1520.00/month, lives in Regina, SK, qualifies for claim code 2 and has deductions of $75.24 for CPP, $26.30 for EI, $21.28 for provincial tax, and $51.68 for federal tax?

|  |  |  |  |
| --- | --- | --- | --- |
| A. | $1480.05 | C. | $1614.60 |
| B. | $1076.40 | D. | $1345.50 |

15. Bayani has a gross biweekly income of $1100.00. His net biweekly income is $847.35. What percentage of his gross income goes to deductions?

|  |  |  |  |
| --- | --- | --- | --- |
| A. | 23% | C. | 77% |
| B. | 30% | D. | 15% |

16. If your CPP contribution rate is 4.95% and your salary is $1235.00 every two weeks, how much will be deducted from your paycheque for CPP?

|  |  |  |  |
| --- | --- | --- | --- |
| A. | $611.33 | C. | $61.13 |
| B. | $122.27 | D. | $6.11 |

17. Ines has a biweekly gross income of $2103.12. Her before-tax deductions include a short-term disability premium of 0.6%, union dues of 2.5%, and a pension deduction of 3.5%. What is her taxable income?

|  |  |  |  |
| --- | --- | --- | --- |
| A. | $1867.59 | C. | $1899.03 |
| B. | $1964.31 | D. | $2003.45 |

18. Andy’s taxable income is $3556.25/month. He pays federal tax at a rate of 10.4%, provincial tax at a rate of 7.0%, CPP at 4.95%, and EI at 1.73%. What is his net income?

|  |  |  |  |
| --- | --- | --- | --- |
| A. | $856.35 | C. | $3223.77 |
| B. | $2699.90 | D. | $2704.23 |