

Name: _____

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Deduction Calculations

PART 1: Guided Questions

1) Marty takes home a net pay of \$895 every two weeks.

a) If his gross pay is \$1150, what are the total deductions taken out of his pay? [1]

$$\text{GROSS PAY} - \text{NET PAY} = \text{TOTAL DEDUCTIONS}$$

b) What percent of his gross pay does Marty take home? [1]

$$\frac{\$Net}{\$Gross} \times 100 =$$

c) What percent of his gross pay is taken out as a deduction? [1]

$$\frac{\$Deductions}{\$Gross} \times 100 =$$

2) Mario grosses \$34 500 per year at his job as a city bus driver. Use the following table to calculate the amount removed from his paycheck for each deduction type. [2.5]

Deduction Type	Tax Rate (%)	Calculation	Amount Deducted
CPP	4.95	$0.0495 \times \$34\,500 =$	
EI	1.78	$0.0178 \times \$34\,500 =$	
Federal Tax	15	$0.15 \times \$34\,500 =$	
Provincial Tax	5.05	$0.0505 \times \$34\,500 =$	
Total Deductions:			

Name: _____

PART 2: Independent Questions

1. Justin earns \$15.00 per hour and works 40 hours per week.

a) What does Justin earn in one week? Show your calculation. [1]

b) What does Justin earn in one year? Show your calculation. [1]

2. Using the “**DEDUCTIONS**” table (*handed out with your test*), use Justin’s annual salary to look up the percentage of tax he will pay under each category below. Use this information to calculate Justin’s total deductions on his earnings for one year (look at “b” above). [4.5]

Deduction Type	Tax Rate (%)	Calculation	Amount Deducted
CPP			
EI			
Federal Tax			
Provincial Tax			
Total Deductions:			

3. What is Justin’s Net pay for one year? Show your calculation. [1]

4. What percent of his gross income does Justin take home? Show your calculation. [1]