

Chapter 4 Practice Test

Match the description in column A with the correct term in column B.

A	B
1. used to summarize an employee's annual earnings and deductions _____	a) TD1
2. subtracted from income to determine taxable income _____	b) taxable income
3. used to determine the amount of federal tax payable _____	c) T4
4. used to determine the amount of federal and provincial tax to deduct from an employee's pay _____	d) T1 General
5. the amount that is left after all tax deductions _____	e) tax deduction
6. reduces the amount of tax payable _____	f) tax credit

7. a) Calculate Danya's approximate annual gross income if she earns about \$475 every 2 weeks.

b) Danya takes home approximately 92% of her gross income. Calculate her approximate bi-weekly net income.

8. What is the main focus of page 1 of the T1 General?

Date _____

Use the T4 to answer #9.

Employer's name – Nom de l'employeur		Canada Revenue Agency / Agence du revenu du Canada		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
		Year / Année: 20xx			
		Employment income – line 101 / Revenus d'emploi – ligne 101: 21 389.93		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437: 2795.51	
Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères): 54		Province of employment / Province d'emploi: 10 ON		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308: 16 907.83	
Social insurance number / Numéro d'assurance sociale: 12 999 433 007		Employment code / Code d'emploi: 29		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRC – ligne 308: 17	
Exempt – Exemption: 28				EI insurable earnings / Gains assurables d'AE: 24 21 389.93	
Employee's name and address – Nom et adresse de l'employé		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312: 18 377.83		CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ: 26	
Last name (in capital letters) – Nom de famille (en lettres moulées): _____		RPP contributions – line 207 / Cotisations à un RPA – ligne 207: 20 1626.63		Union dues – line 212 / Cotisations syndicales – ligne 212: 44 512.44	
First name – Prénom: _____		Pension adjustment – line 206 / Facteur d'équivalence – ligne 206: 52		Charitable donations – see over / Dons de bienfaisance – voir au verso: 46	
Initials – Initiales: _____		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso: 55		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB: 50	
				PIIP insurable earnings / Gains assurables du RPAP: 56	

9. Fill in each value using the T4.

a) Employment income _____	b) Union dues _____
c) Income tax deducted _____	d) Employee's CPP _____

10. Explain why an employee holding 2 part-time jobs may wish to have 1 employer deduct extra income tax.

11. Eve has a receipt for tuition fees and one for moving expenses.

a) For tax purposes, how is each item classified?

b) Explain where each item would appear on a tax return.

12. DeMar had a total income of \$66 520.55 last year.

- He contributed \$2500 to an RRSP.
- His moving expenses totalled \$2883.91.
- He paid \$643.88 in union dues.
- He paid \$3600 in child care expenses.

a) Record each amount on the appropriate line on page 3 of the T1 General.

b) What is his taxable income? _____

Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return. **3**

Net income

Enter your **total income** from line 150. 150

Pension adjustment
(box 52 on all T4 slips and box 34 on all T4A slips) 206

Registered pension plan deduction (box 20 on all T4 slips and box 32 on all T4A slips)	207	
RRSP deduction (see Schedule 7 and attach receipts)	208+	
Saskatchewan Pension Plan deduction (maximum \$600)	209+	
Deduction for elected split-pension amount (see the guide and attach Form T1032)	210+	
Annual union, professional, or like dues (box 44 on all T4 slips, and receipts)	212+	
Universal Child Care Benefit repayment (box 12 on all RC62 slips)	213+	
Child care expenses (attach Form T778)	214+	
Disability supports deduction	215+	
Business investment loss	Gross 228	Allowable deduction 217+
Moving expenses	219+	
Support payments made	Total 230	Allowable deduction 220+
Carrying charges and interest expenses (attach Schedule 4)	221+	
Deduction for CPP or QPP contributions on self-employment and other earnings (attach Schedule 8)	222+	
Exploration and development expenses (attach Form T1229)	224+	
Other employment expenses	229+	
Clergy residence deduction	231+	
Other deductions Specify:	232+	
Add lines 207 to 224, 229, 231, and 232. 233 =		-
Line 150 minus line 233 (if negative, enter "0"). This is your net income before adjustments.		234 =
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide) Use the federal worksheet to calculate your repayment.		235 -
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide. This is your net income.		236 =
Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244	
Employee home relocation loan deduction (box 37 on all T4 slips)	248+	
Security options deductions	249+	
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250+	
Limited partnership losses of other years	251+	
Non-capital losses of other years	252+	
Net capital losses of other years	253+	
Capital gains deduction	254+	
Northern residents deductions (attach Form T2222)	255+	
Additional deductions Specify:	256+	
Add lines 244 to 256. 257 =		-
Line 236 minus line 257 (if negative, enter "0") This is your taxable income.		260 =