

Name: _____

Date: _____

BLM 4-1

Practice Using the CRA Payroll Calculator

These questions provide extra practice for the Tech Tip on page 130.

Example

- a) Michael has a weekly income of \$400. What is his weekly net income after payroll deductions?

Go to the CRA payroll deductions online calculator.

- Select **Ontario** and then select **Weekly (52 pay periods a year)**. The calculator will default to Claim Code 1.
- Click on **Salary / Bonus / Retroactive / Pension calculation**.
- Click on **Determine Gross Income**. Enter Michael's gross income.
- Click **OK**. Then, scroll down and click **Calculate**.

Determine gross income	400.00
Determine taxable income	0.00
Bonus	
Total current bonus payable (if applicable)	0.00
Previous bonus (es) (if applicable)	0.00
RRSP, etc. deducted from current bonus (if applicable)	0.00
Retroactive Pay	
Total retroactive pay increase payable (if applicable)	0.00
RRSP etc. deducted from retroactive pay increase (if applicable)	0.00
Number of pay periods applied to (if applicable)	1
CPP deducted year to date	0.00
EI deducted year to date	0.00
Total claim amount from federal TD1	
Claim Code 1 (Minimum - 10,382.00)	
Requested additional tax deductions from TD1 (if applicable)	0.00
Total claim amount from provincial TD1	
Claim Code 1 (Minimum - 8,943.00)	
Employment Insurance (EI)	
The employer's contribution is an amount equal to 1.4 times the total of the employee's premiums, unless a reduced rate applies. If a reduced rate is applicable, enter the rate in the field:	
	0.000
<div>Back Calculate Clear</div>	



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Payroll Deductions Online Calculator	
Results - Effective January 1, 2010	
Employee's name	
Employer's name	
Pay period	Weekly (52 pay periods a year)
Pay period ending date	
Province of employment	Ontario
Federal amount from TD1	Claim Code 1 (Minimum - 10,382.00)
Provincial amount from TD1	Claim Code 1 (Minimum - 8,943.00)
Salary or wages for the pay period	400.00
Total EI insurable earnings for the pay period	400.00
Taxable income	400.00
Cash income for the pay period	400.00
Federal tax deductions	23.51
Provincial tax deductions	11.26
Requested additional tax deduction	0.00
Total tax on income	34.77
CPP deductions	16.47
EI deductions	6.92
Amounts deducted at source	0.00
Total deductions on income	58.16
Net amount	341.84

Michael's net income after payroll deductions is _____.

- b)** What percent of his gross income is Michael's net income? Express the answer to the nearest percent.

$$\frac{341.84}{400.00} \times 100 = \text{_____} \%$$

Michael's net income is _____ of his gross income.



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- Go to the CRA payroll deductions online calculator. Use the calculator to help you complete the table.
 - Determine the weekly net income for each weekly gross income.
 - Calculate net income as a percent of gross income. Express the answer to the nearest percent.

Weekly Gross Income	Weekly Net Income	Net Income as a % of Gross Income
a) \$150		
b) \$350		
c) \$550		
d) \$750		

- Using the online calculator, complete the pay stub for an employee with a gross income of \$750 last week.

Week of: _____	
Gross Income	
Deductions	
• Federal tax	
• Provincial tax	
• CPP	
• EI	
Total Deductions	
Net Income	

