

Chapter 4 Task

Use this worksheet to help you with the task on page 164.

- 1. a)** At the restaurant, Aamira earns the regular minimum wage. What is this current wage? \$ _____ per hour
 - b)** How many hours does Aamira work at the restaurant during a regular week? _____
 - c)** Aamira is paid bi-weekly. Calculate her gross income for 1 pay period.
 - d)** Aamira averages \$40 per day in tips. Calculate her approximate annual total income from the restaurant if she works 50 weeks per year.
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- 2. a)** At the bar, Aamira earns the liquor servers minimum wage. What is this current wage? \$ _____ per hour
 - b)** The bar closes at 2 a.m. How many hours does Aamira work at the bar during a regular week? _____
 - c)** Aamira is paid bi-weekly. Calculate her gross income for 1 pay period.
 - d)** Aamira averages \$200 per night in tips. Calculate her approximate annual total income from the bar if she works 50 weeks per year.
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- 3. a)** What is Aamira's approximate annual total income? _____
 - b)** What is her total income that is subject to payroll deductions? _____



Name: _____

Date: _____

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(continued)

- c) With 2 jobs, should Aamira expect a refund or a balance owing when she files her tax return? Explain.

4. a) Go to the CRA payroll deductions online calculator.

- Select **Ontario** and then select **Biweekly (26 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 Aamira's gross income for 1 pay period at the restaurant.
- Click **OK**. Then, scroll down and click **Calculate**.

Record Aamira's deductions for 1 pay period at the restaurant.

Gross Income	
Deductions	
• Federal tax	
• Provincial tax	
• CPP	
• EI	
Total Deductions	
Net Income	

- b) Assume that the breakdown of deductions for 1 pay period remains the same throughout the year. Calculate the annual totals for a 50-week year.

Gross Income _____ Federal Tax _____

Provincial Tax _____ CPP _____ EI _____



Name: _____

Date: _____

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(continued)**c)** Use the information in part b) to fill in the appropriate boxes on the T4.

Employer's name – Nom de l'employeur Aamira		Canada Revenue Agency Agence du revenu du Canada		T4 STATEMENT OF REMUNERATION PAID ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Payroll Account Number (15 characters) Numéro de compte de retenues (15 caractères)		Year Année		Employment income – line 101 Revenus d'emploi – ligne 101	
Social Insurance Number Numéro d'assurance sociale		Province of employment Province d'emploi		Income tax deducted – line 437 Impôt sur le revenu retenu – ligne 437	
Exempt – Exemption CPP/CEP EI PPIP		Employee's CPP contributions – line 308 Cotisations de l'employé au RPC – ligne 308		EI insurable earnings Gains assurables d'AE	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres majuscules) First name – Prénom Initials – Initiales → Corner Cafe		Employee's CPP contributions – line 308 Cotisations de l'employé au RRC – ligne 308		CPP/QPP pensionable earnings Gains ouvrant droit à pension – RPC/RRC	
		Employee's EI premiums – line 312 Cotisations de l'employé à l'AE – ligne 312		Union dues – line 212 Cotisations syndicales – ligne 212	
		RPP contributions – line 207 Cotisations à un RPA – ligne 207		Charitable donations – see over Dons de bienfaisance – voir au verso	
		Pension adjustment – line 206 Facteur d'équivalence – ligne 206		RPP or DPSP registration number N° d'agrément d'un RPA ou d'un RPDB	
		Employee's PPIP premiums – see over Cotisations de l'employé au RPAP – voir au verso		PPIP insurable earnings Gains assurables du RPAP	

5. a) Use the CRA payroll deductions online calculator to determine Aamira's deductions for 1 pay period at the bar.

Gross Income	
Deductions	
• Federal tax	
• Provincial tax	
• CPP	
• EI	
Total Deductions	
Net Income	

b) Assume that the breakdown of deductions for 1 pay period remains the same throughout the year. Calculate the annual totals for a 50-week year.

Gross Income _____ Federal Tax _____

Provincial Tax _____ CPP _____ EI _____



Name: _____

Date: _____

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(continued)

c) Use the information in part b) to fill in the appropriate boxes on the T4.

Employer's name – Nom de l'employeur Aamira		Canada Revenue Agency / Agence du revenu du Canada		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Payroll Account Number (15 characters) / Numéro de compte de retenues (15 caractères) 54		Province of employment / Province d'emploi 10		Employment income – line 101 / Revenus d'emploi – ligne 101 14	
Social insurance number / Numéro d'assurance sociale 12		Employment code / Code d'emploi 29		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437 22	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) / Nom de famille (en lettres majuscules): Sebi's Bar First name – Prénom: _____ Initials – Initiales: _____		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308 16		EI insurable earnings / Gains assurables d'AE 24	
Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312 18		Employee's CPP contributions – line 308 / Cotisations de l'employé au RRC – ligne 308 17		CPP/RRSP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ 26	
RPP contributions – line 207 / Cotisations à un RPA – ligne 207 20		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312 18		Union dues – line 212 / Cotisations syndicales – ligne 212 44	
Pension adjustment – line 208 / Facteur d'équivalence – ligne 208 52		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso 55		Charitable donations – see over / Dons de bienfaisance – voir au verso 46	
				RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB 50	
				PPIP insurable earnings / Gains assurables du RPAP 56	

6. Page 4 of the T1 General tax form contains the following box.

I certify that the information given on this return and in any documents attached is correct, complete, and fully discloses all my income.	
Sign here	_____
It is a serious offence to make a false return.	
Telephone	_____
Date	_____

What does the information in the box mean?

7. a) Obtain a copy of the T1 General and complete a tax return for Aamira. Assume that she declares all of her tips as income.

b) What is the balance owing on her tax return? _____

8. a) Make a specific plan for Aamira to reduce her taxable income and save for her future.

b) Redo the T1 using the information from your plan in part a).

c) How much will Aamira save in taxes if she follows your plan? _____



Name: _____

Date: _____

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(continued)

- 9. a)** What help could Aamira get to complete her income tax return? Provide 2 sources of assistance.

- b)** List 1 advantage and 1 disadvantage of this type of help.

- 10.** Describe 2 strategies Aamira could use to manage her finances.

a) _____

b) _____

