Name: _____   Date: _____

FM.4 Extra Practice

Use the following values when answering these questions.
- federal income tax = 15% for the first $43 561 of taxable income + 22% of additional income up to $87 123
- provincial income tax = 8.79% for the first $29 590 of taxable income + 14.95% for the next $29 590
- CPP = 4.95% of gross income minus $3500, to a maximum of $2356.20
- EI = 1.88% of gross income, to a maximum of $891.12

1. An audio-video editor earned $890.24 net this month. His gross pay was $1091. What was the total amount of his deductions for this month?

2. a) Jessica earned $850 in wages plus $34 vacation pay last month. Her deductions were
- income tax: $11.54
- CPP: $29.32
- EI: $16.62

b) What was her net pay last month?

b) Jessica had the same gross monthly pay for the whole year. Calculate her annual gross income and all deductions.

c) Fill out a T4 for her.

3. Josie has a gross bi-weekly pay of $1045. She pays union dues of $10.85 on each pay and receives 4% vacation pay.
a) What does she pay annually in union dues?
b) How much should be deducted annually for
- CPP?
- EI?
- income tax?

4. George earns an hourly wage of $19.75/h. He earns double time for overtime hours. This week, he worked 40 regular hours and 4.5 overtime hours.
a) He works the above hours 50 weeks a year and takes two weeks of holiday. During those holidays, he earns his regular weekly salary, without overtime. What is his annual gross pay?
b) This week's pay is George's last of the year. What is his net pay?

5. A personal trainer earns $3810 per month.
a) What is his gross annual pay?
b) Calculate his
- annual CPP
- annual EI
- annual income tax
c) Fill out a T4 for this personal trainer. Give the personal trainer and the business a name.

6. Ted makes the calculations below
for his $48 000 salary.

federal income tax

$= (0.15 \times 43\ 561)$
$\quad + 0.22(48\ 000 - 43\ 561)$
$= 6534.15 + 4439.00$
$= 10\ 973.15$

provincial income tax
$= (0.0879 \times 29\ 590) +$
$\quad 0.15(48\ 000 - 29\ 590)$
$= 2600.96 + 2761.50$
$= 5362.46$

Do you agree with his
calculations? Explain.