

Work With It

Use the following rates for 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% on the next \$29 590 of gross
- 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. Jayson works at an electronics store and is paid 8% commission on his sales. He receives a bonus of \$200 if his weekly sales are \$8000 or more. Jayson's sales for this week total \$8025.50.
 - a) Calculate Jayson's gross pay for this week.
 - b) If Jayson works 50 weeks like this, what total amount of income tax will he pay that year?
2.
 - a) Hayden is a sales associate at a furniture store. She is paid \$11.25/h and receives a commission of 8% of sales. Last week, she worked 30 hours and her sales were \$5300. What were her gross earnings for last week?
 - b) What will be her EI deduction on this pay?
3.
 - a) Jeffery sells farm equipment. In January, his gross income was \$1900. In February, he was paid a commission of 15% on \$8000 in sales. How much income tax, EI, and CPP would he have paid by the end of February?
 - b) In December, Jeffery receives the same gross income as what he made in February. His YTD at the end of December is \$48 000. What are his deductions for EI and CPP in December? Explain any difference from January.
4. McKenzie is hired by a local charity to create 75 gift baskets. She can be paid \$2.55 per basket, or she can complete the baskets in 2 days for \$200. Which payment method would you recommend that she choose? Why?
5. Add *commission*, *bonus*, *piecework*, and *contract* to your financial dictionary.