Finance Lesson 2: Types of Pay

Additional Earnings

A bonus is an extra amount earned for a job well done or for exceeding expectations, and is paid in addition to regular pay and/or overtime pay. It may be a lump sum or a percentage of earnings. Danger pay, isolation pay, a shift premium, and tips are also paid in addition to regular pay.

Ex. 1) Marika works during the summer as a supervisor of a children's program at the local community centre. She has a good reputation with the children and her employer wants her to come back next year. Marika earned $3600.00 during the summer and her employer offers her a 15% signing bonus if she will sign up for next year. If Marika signs up, how much will she get as a signing bonus?

$$0.15(3600) = \$540$$

Ex. 2) Chester wants to clear out his used car sales lot in Surrey, BC. To do so, he offers his employees an incentive for each car they sell. They will receive bonuses in the following amounts:

- $50.00 for each car they sell for more than $20 000.00
- $40.00 for each car they sell between $15 000.00 and $19 999.00
- $30.00 for each car they sell between $10 000.00 and $14 999.00
- $25.00 for each car they sell below $10 000.00

Gerry sells cars worth $14 895.00, $19 998.00, $15 675.00, $7250.00, and $15 229.00. What is his bonus pay? $30 + $40 + $40 + $25 + $40

$$= \$175$$

Ex. 3) Conchita works as a bus driver for a transit company. Since busy times of the day require more drivers than midday, the company requires that some employees work split shifts. The bus company offers a 12% shift premium for the second shift to anyone that has a 4-hour break between the end of one shift and the beginning of the next.

If Conchita earns $17.82/h, how much will she earn during the week?

Time Card: Conchita		
Day	**Shift 1**	**Shift 2**
Monday	6:15–11:00 4h 45min	3:30–6:45 3h 15min
Tuesday	6:15–10:15 4h	3:30–7:15 3h 45min
Wednesday	12:00–4:00 4h	6:00–9:00 3h
Thursday	3:30–7:30 4h	
Friday	8:00–11:00 3h	2:00–4:45 2h 45min

+ Premium Rate:
$17.82 (1.12)
= $19.96

Hours at regular pay: 25.5 hours
Hours at 12% premium: 7 hours

$$25.5(17.82) + 7(19.96) = \$594.13$$

Ex. 4) Suzette works as a waitress in a local café in Selkirk, MB. Yesterday she made $165.32 in tips. If this was 15% of the bills she collected, how much were the bills?

a) How many hours did he work?

$$165.32 \div 0.15 = \$1102.13$$

b) If he earns $15.85 per hour, how much did he earn that week?

Ex. 5) Mandeep is at a restaurant in Prince Rupert, BC. He has decided that 15% is too much to leave for a waiter who did not provide good service. He left $3.00 on a meal that cost $24.75. What percentage tip did he leave?

$$24.75x = \$3.00$$
$$x = \frac{3.00}{24.75} = 0.1\overline{212} = 12.12\%$$

Ex. 6) Rosita earned $408.65 working 35 hours at $8.21/h plus tips. How much did she make in tips?

$$35h (\$8.21/h) = \$287.35 \leftarrow \text{hourly earnings}$$
$$\$408.65 - \$287.35 = \$121.30 \text{ tips}.$$

Ex. 7) Rosa is a community wellness nurse in Fort Simpson, NT. She attends a meeting of the Deh Cho Health & Social Services Authority in fort Providence. To attend the meeting, she drives her own car 325.3 km. Her employer will reimburse her at a rate of $0.605/km.

a) How much will Rosa receive as reimbursement for her trip?.

$$\$0.605/km (325.3 km)$$
$$= \$196.81$$

b) Is this fair compensation for the use of your own car for work? Why or why not? What factors would you consider?

Consider gas, insurance, wear and tear on vehicle.

Practice Work: Finance Assignment #2