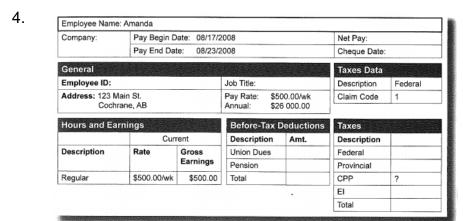
Finance Assignment 3: Deductions and Net Pay

- 1. Juliana has an annual salary of \$45 785.00.
- a) How much does she pay in union dues if the rate is 2.4%?
- b) How much does she pay in CPP if the rate is 4.95% and her taxable income is \$44 686.16?
- 2. Mario had \$685.74 deducted in federal tax. If his taxable income was \$2981.52, what was his tax rate?
- 3. What will be your net pay if you have deductions of \$105.30 federal tax, \$23.76 provincial tax, \$48.61 CPP, and \$14.12 El from your paycheque of \$982.00?



a) Calculate the Canada Pension Plan deduction for Amanda whose pay statement is shown here. In 2008, the CPP contribution rate was 4.95% of any gross earnings above \$3500.00.

b) Referring to Amanda's pay statement, calculate the Employment Insurance premium that will be deducted from her weekly pay. In 2008, the EI premium rate was 1.73% of gross earnings.

5) Amber works as a cashier and earns \$960.00 biweekly. Each pay period, her	
employer deducts \$69.50 for federal tax, \$21.91 for provincial tax, and 1.73% for	r El
premiums. The CPP contribution rate is 4.95%, and the CPP annual exemption	ıis
\$3500.00. What is Amber's net pay?	

- 6) Gerry's employer has a dental plan for employees that covers Gerry, his spouse, and their child. The dental plan will pay 100% for routine checkups and cleaning and basic procedures such as fillings. It pays 70% for a crown and 65% for braces. One year, the following dental work is done:
 - each member of the family has a routine checkup and cleaning that costs \$165 for each person;
 - Gerry gets a crown that costs \$900.00; and
 - the child has a filling that costs \$125.00 and gets braces that cost \$4250.00
 - a) How much is the total bill?

b) What amount will the insurance company pay?

Answers

1. a) \$1098.84 b) \$2211.96 2. about 23% 3. \$790.21 4.a) \$21.42 b) \$8.65

5. \$811.12 6.a) \$5770.00 b) \$4012.50