

Section 1.3 – Practice Problems

1. Steve makes \$120 000 annually, calculate his deductions from his semi-monthly paycheques.

120 000 annual salary means $\left. \begin{array}{l} 4.95\% \text{ CPP} \\ 1.66\% \text{ EI} \end{array} \right\} \text{2018 #'s}$

$\frac{26.1\% \text{ Income Tax}}{32.71\% \text{ Total deductions}}$

$120\,000 \cdot 0.3271$

= 39 252 from annual salary

$39\,252 \div 24 = \boxed{\$1635.50 \text{ deducted from each paycheck}}$

↑
Semi-annual

2. Solace makes \$2450 Gross income bi-weekly, what is her annual salary? Use that info to calculate her deductions for her Net pay.

$2450 \cdot 26 = \$63\,700/\text{yr Gross}$

CPP: 4.95
EI: 1.66
Income: 18.4

25.01

$63\,700 \cdot 0.2501 = 15\,931.37$

$63\,700 - 15\,931.37 = \boxed{\$47\,768.63}$

↑
NET PAY

3. If Simon had a deduction percentage of 27.2% what are the boundaries of his salary? Pick any annual salary in-between the boundaries and calculate the deductions and bi-weekly Net salary.

Boundaries are: 130 000 - 140 000

Rest of the answer will vary

4. If Houssam has a semi-monthly Gross pay of \$5400, what is his annual salary and then calculate his deductions from his paycheck. What is his Net pay semi-monthly?

$$5400 \cdot 24 = \$129\,600/\text{yr}$$

CPP: 4.95

EI: 1.66

Income: 26.1

32.71%

$$129\,600 \cdot 0.3271 = 42\,392.16$$

in deductions

$$129\,600 - 42\,392.16 = 87\,207.84$$

↑
NET

$$\frac{87\,207.84}{24} = \boxed{\$3633.66}$$

ANNUAL
↙ semi monthly