

GRADE 10 ESSENTIALS
UNIT B
PERSONAL FINANCE
WORKSHEET 2 – Net Income

Name: _____

Date: _____

1. Dylan has been hired to work a full-time job at a retail outlet. Any hours worked over **40** hours a week are paid at *'time and a half'*. **Employment Insurance (EI)** deductions are **1.98%** of the gross pay. **CPP Contributions** are **4.95%** of Gross. **Registered Retirement Savings Plan (RRSP)** contributions are **\$19.45** per week. Income tax is deducted at **16%** of taxable income per week. Commissions are paid on all sales over **\$5,000.00**. During his first week, Dylan sold **\$6250** in goods, and worked **42** hours. He pays **\$7.00** for weekly parking and **\$5.20** a week for the coffee fund.

Dylan has to choose a method of pay he wants:

Plan A	Plan B
\$9.00 / hour and 5% commission	\$8.00 / hour and 10% commission

a. Determine the 'take home' (net) pay for each plan choice.

PLAN A	PLAN B

2. Lucille has been hired to work full-time at a retail store. Any hours worked over 40 are paid at time and a half. EI deductions are made at 1.95% of the gross pay. CPP Contributions are 4.95% of Gross. RRSP contributions are paid \$18.30 a week. Income tax deductions are Code 2. The commissions are paid on all sales *over* \$5,000. During her first week, Lucille sold \$6250 in goods, and worked 44 hours. [Use the tax tables attached at the back instead of a percentage]

Plan A	Plan B
\$9.00 / hour and 5% commission	\$8.50 / hour and 10% commission

a. Calculate the 'take home' (net) pay for each plan choice.

PLAN A	PLAN B

3. Gary has been hired to work full-time at a retail outlet. Any hours worked over **8 per day** are paid at **double time**. EI deductions are **1.98%** of gross pay. **CPP Contributions** are **4.95%** of Gross. Union dues are **\$8.50** per week. His income taxes are **14%** of taxable income. The commissions are paid on all sales over **\$3,200**. During his first week, Gary sold **\$6,000.00** in goods, and worked the following schedule:

	Mon	Tues	Wed	Thurs	Fri
Hours Worked	8.5	10	8	9	3

Plan A	Plan B
\$10.00 / hour and 5% commission	\$8.00 / hour and 10% commission

a. Calculate the 'take home' (net) pay for each plan choice.

PLAN A	PLAN B

b. State one unique advantage of each plan.

Federal tax deductions

Effective January 1, 2004

Weekly (52 pay periods a year)

Also look up the tax deductions
in the provincial tableHeb
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Pay Rémunération	Federal claim codes/Codes de demande féd							
	0	1	2	3	4	5	6	
From Less than De Moins de	Deduct from each pay Retenez sur chaque paie							
271 - 275	41.20	16.55	13.80	8.35	2.85			
275 - 279	41.80	17.15	14.40	8.95	3.45			
279 - 283	42.40	17.75	15.00	9.50	4.05			
283 - 287	42.95	18.30	15.60	10.10	4.65			
287 - 291	43.55	18.90	16.20	10.70	5.25			
291 - 295	44.15	19.50	16.80	11.30	5.85	.40		
295 - 299	44.75	20.10	17.35	11.90	6.45	.95		
299 - 303	45.35	20.70	17.95	12.50	7.05	1.55		
303 - 307	45.95	21.30	18.55	13.10	7.65	2.15		
307 - 311	46.55	21.90	19.15	13.70	8.25	2.75		
311 - 315	47.15	22.50	19.75	14.30	8.80	3.35		
315 - 319	47.75	23.10	20.35	14.90	9.40	3.95		
319 - 323	48.35	23.70	20.95	15.50	10.00	4.55		
323 - 327	48.95	24.30	21.55	16.10	10.60	5.15		
327 - 331	49.55	24.95	22.15	16.65	11.20	5.75	.25	
331 - 335	50.10	25.45	22.75	17.25	11.80	6.35	.85	
335 - 339	50.70	26.05	23.35	17.85	12.40	6.95	1.45	
339 - 343	51.30	26.65	23.95	18.45	13.00	7.50	2.05	
343 - 347	51.90	27.25	24.50	19.05	13.60	8.10	2.65	
347 - 351	52.50	27.85	25.10	19.65	14.20	8.70	3.25	
351 - 355	53.10	28.45	25.70	20.25	14.80	9.30	3.85	
355 - 359	53.70	29.05	26.30	20.85	15.35	9.90	4.45	
359 - 363	54.30	29.65	26.90	21.45	15.95	10.50	5.05	
363 - 367	54.90	30.25	27.50	22.05	16.55	11.10	5.65	
367 - 371	55.50	30.85	28.10	22.65	17.15	11.70	6.20	
371 - 375	56.10	31.40	28.70	23.20	17.75	12.30	6.80	
375 - 379	56.65	32.00	29.30	23.80	18.35	12.90	7.40	
379 - 383	57.25	32.60	29.90	24.40	18.95	13.50	8.00	
383 - 387	57.85	33.20	30.50	25.00	19.55	14.05	8.60	
387 - 391	58.45	33.80	31.05	25.60	20.15	14.65	9.20	
391 - 395	59.05	34.40	31.65	26.20	20.75	15.25	9.80	
395 - 399	59.65	35.00	32.25	26.80	21.35	15.85	10.40	
399 - 403	60.25	35.60	32.85	27.40	21.95	16.45	11.00	
403 - 407	60.85	36.20	33.45	28.00	22.50	17.05	11.60	
407 - 411	61.45	36.80	34.05	28.60	23.10	17.65	12.20	
411 - 415	62.05	37.40	34.65	29.20	23.70	18.25	12.80	
415 - 419	62.65	38.00	35.25	29.80	24.30	18.85	13.35	
419 - 423	63.20	38.55	35.85	30.35	24.90	19.45	13.95	
423 - 427	63.80	39.15	36.45	30.95	25.50	20.05	14.55	
427 - 431	64.40	39.75	37.05	31.55	26.10	20.65	15.15	
431 - 435	65.00	40.35	37.65	32.15	26.70	21.20	15.75	
435 - 439	65.60	40.95	38.20	32.75	27.30	21.80	16.35	
439 - 443	66.20	41.55	38.80	33.35	27.90	22.40	16.95	
443 - 447	66.80	42.15	39.40	33.95	28.50	23.00	17.55	
447 - 451	67.40	42.75	40.00	34.55	29.05	23.60	18.15	
451 - 455	68.00	43.35	40.60	35.15	29.65	24.20	18.75	
455 - 459	68.60	43.95	41.20	35.75	30.25	24.80	19.35	
459 - 463	69.20	44.55	41.80	36.35	30.85	25.40	19.90	
463 - 467	69.80	45.10	42.40	36.90	31.45	26.00	20.50	
467 - 471	70.35	45.70	43.00	37.50	32.05	26.60	21.10	
471 - 475	70.95	46.30	43.60	38.10	32.65	27.20	21.70	
475 - 479	71.55	46.90	44.20	38.70	33.25	27.75	22.30	
479 - 483	72.15	47.50	44.75	39.30	33.85	28.35	22.90	
483 - 487	72.75	48.10	45.35	39.90	34.45	28.95	23.50	
487 - 491	73.35	48.70	45.95	40.50	35.05	29.55	24.10	
491 - 499	74.25	49.60	46.85	41.40	35.90	30.45	25.00	19.50
499 - 507	75.45	50.80	48.05	42.80	37.10	31.65	26.20	20.70

Manitoba provincial tax deductions

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Effective January 1, 2004

Weekly (52 pay periods a year)

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Also look up the tax deductions
in the federal table

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Pay Rémunération	Provincial claim codes/Codes de demande pr							
	0	1	2	3	4	5	6	
From Less than De Moins de	Deduct from each pay Retenez sur chaque paie							
288 - 292	28.35	12.35	10.60	7.05	3.50			
292 - 296	28.80	12.80	11.00	7.50	3.95	.40		
296 - 300	29.25	13.25	11.45	7.90	4.35	.80		
300 - 304	29.70	13.70	11.90	8.35	4.80	1.25		
304 - 308	30.15	14.15	12.35	8.80	5.25	1.70		
308 - 312	30.60	14.60	12.80	9.25	5.70	2.15		
312 - 316	31.05	15.05	13.25	9.70	6.15	2.60		
316 - 320	31.50	15.45	13.70	10.15	6.60	3.05		
320 - 324	31.90	15.90	14.15	10.60	7.05	3.50		
324 - 328	32.35	16.35	14.60	11.05	7.50	3.95	.40	
328 - 332	32.80	16.80	15.05	11.50	7.95	4.40	.85	
332 - 336	33.25	17.25	15.50	11.95	8.40	4.85	1.30	
336 - 340	33.70	17.70	15.95	12.40	8.85	5.30	1.75	
340 - 344	34.15	18.15	16.35	12.85	9.30	5.75	2.20	
344 - 348	34.60	18.60	16.80	13.25	9.70	6.15	2.65	
348 - 352	35.05	19.05	17.25	13.70	10.15	6.60	3.05	
352 - 356	35.50	19.50	17.70	14.15	10.60	7.05	3.50	
356 - 360	35.95	19.95	18.15	14.60	11.05	7.50	3.95	
360 - 364	36.40	20.40	18.60	15.05	11.50	7.95	4.40	
364 - 368	36.85	20.80	19.05	15.50	11.95	8.40	4.85	
368 - 372	37.25	21.25	19.50	15.95	12.40	8.85	5.30	
372 - 376	37.70	21.70	19.95	16.40	12.85	9.30	5.75	
376 - 380	38.15	22.15	20.40	16.85	13.30	9.75	6.20	
380 - 384	38.60	22.60	20.85	17.30	13.75	10.20	6.65	
384 - 388	39.05	23.05	21.30	17.75	14.20	10.65	7.10	
388 - 392	39.50	23.50	21.70	18.15	14.65	11.10	7.55	
392 - 396	39.95	23.95	22.15	18.60	15.05	11.50	7.95	
396 - 400	40.40	24.40	22.60	19.05	15.50	11.95	8.40	
400 - 404	40.85	24.85	23.05	19.50	15.95	12.40	8.85	
404 - 408	41.30	25.30	23.50	19.95	16.40	12.85	9.30	
408 - 412	41.75	25.75	23.95	20.40	16.85	13.30	9.75	
412 - 416	42.20	26.15	24.40	20.85	17.30	13.75	10.20	
416 - 420	42.60	26.60	24.85	21.30	17.75	14.20	10.65	
420 - 424	43.05	27.05	25.30	21.75	18.20	14.65	11.10	
424 - 428	43.50	27.50	25.75	22.20	18.65	15.10	11.55	
428 - 432	43.95	27.95	26.20	22.65	19.10	15.55	12.00	
432 - 436	44.40	28.40	26.60	23.05	19.50	15.95	12.40	
436 - 440	44.80	28.80	27.00	23.45	19.90	16.35	12.85	
440 - 444	45.20	29.20	27.45	23.90	20.35	16.80	13.25	
444 - 448	45.60	29.60	27.85	24.30	20.75	17.20	13.65	
448 - 452	46.00	30.00	28.25	24.70	21.15	17.60	14.05	
452 - 456	46.40	30.40	28.65	25.10	21.55	18.00	14.45	
456 - 460	46.85	30.80	29.05	25.50	21.95	18.40	14.85	
460 - 464	47.25	31.25	29.45	25.90	22.35	18.80	15.25	
464 - 468	47.65	31.65	29.85	26.30	22.75	19.20	15.65	
468 - 472	48.05	32.05	30.25	26.70	23.15	19.60	16.05	
472 - 476	48.45	32.45	30.65	27.10	23.55	20.05	16.50	
476 - 480	48.85	32.85	31.10	27.55	24.00	20.45	16.90	
480 - 484	49.25	33.25	31.50	27.95	24.40	20.85	17.30	
484 - 488	49.65	33.65	31.90	28.35	24.80	21.25	17.70	
488 - 492	50.05	34.05	32.30	28.75	25.20	21.65	18.10	
492 - 496	50.50	34.50	32.70	29.15	25.60	22.05	18.50	
496 - 500	50.90	34.90	33.10	29.55	26.00	22.45	18.90	
500 - 504	51.30	35.30	33.50	29.95	26.40	22.85	19.30	
504 - 508	51.70	35.70	33.90	30.35	26.80	23.25	19.70	

ANSWERS

There are lots of numbers involved. You will certainly be wanting to use a Net Income Template!

[Or maybe you know how to set up a Spreadsheet to be able to do these calculations in like 30 seconds!]

Your answer may vary by a few cents if you neglect to round individual calculations properly.

The most common error is for a \$10 to \$20 (ish) difference since students neglect to use the Taxable Income calculating taxes.

1. Dylan: Plan A: \$317.89 ; Plan B: \$332.91

2. Lucille: Plan A: \$355.07 ; Plan B: \$382.15

*** You need to use the Tax Tables provided for this question; so much easier just to use a percentage. But since some people do not know how to calculate a percentage, they need to use tables. ****

3. Gary. Plan A: \$435.48 ; Plan B: \$479.76