

Deductions and Net Pay Practice

Show all work. Round to the nearest hundredth.

1. If the federal tax rate is 15% how much is deducted from your \$750.00 pay cheque?
2. If your short-term disability insurance rate is 0.5%, what do you pay if your pay cheque is \$300?
3. If your Canada Pension Plan (CPP) contribution rate is 4.95% and your salary is \$1578.00 every two weeks, what will be the CPP deduction?
4. Sam's monthly taxable income was \$3276.54. If he paid \$757.24 in taxes, what percentage of his taxable income did he pay?
5. Hans paid \$37.51 Employment Insurance (EI) on his taxable monthly income of \$2168.21. What is the EI rate?

6. Patricia's before-tax deductions amounted to \$75.47 on a gross salary of \$700.00.

a. If she paid \$93.68 in federal tax, what is her tax rate?

b. If she paid \$36.85 in territorial tax, what is her tax rate?

7. 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?

8. Mario had \$685.74 deducted in federal tax. If his taxable income was \$2981.52, what was his tax rate?

9. 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 EI from your pay cheque of \$982.00?

10. Randy works at two jobs. In one job, he earns \$325.00/week, and has deductions of \$56.67 federal tax, \$13.12 provincial tax, \$16.09 CPP, and \$4.14 EI. At his other job, he earns \$567.00/week and pays \$79.42 federal tax, \$16.82 provincial tax, and \$18.12 CPP. What is his net income?

11. Pierre earns \$3461.54 a month. Each pay period, his employer deducts \$172.98 federal tax, \$69.82 territorial tax, \$78.45 for CPP, and 1.73% for EI premiums. Pierre drives his car to work, so he purchased an annual staff parking permit for \$750.00. He pays for the permit by monthly payroll deductions, which are made at the end of each month.

a. What were Pierre's total deductions (in dollars)?

b. What is Pierre's net pay for the month?

12. As a part-time college instructor, Kathy teaches an introductory course on Mexican history. She has a biweekly gross income of \$3654.75. Her before-tax deductions include a short-term disability premium of 0.5%, union dues of 3.1%, and a pension amount of 4%. If she pays federal tax at a rate of 18.5%, provincial tax at a rate of 6.2%, CPP at 4.95%, and EI at 2.2%.

a. What are her before tax deductions?

b. What is her taxable income?

c. How much are her after tax deductions?

d. What is her net income?