**Section 2.1: Other Deductions**

Some jobs require deductions in addition to EI, CPP, and income tax.

Sometimes the employer, as well as the employee, contributes to pension plans or health plans. The portion the employer contributes is called a benefit.

If a company pension plan exists, all employees contribute every pay period. If they are still working for the company the will receive a company pension as well as Canada Pension.

Figuring out deductions:

Example:

Stacey earns $450.00 per week working for a marketing firm. The deductions from her weekly pay are:

EI: 9.25

CPP: 14.50

Income tax: 47.85

Company Pension Plan: 10.75

Health plan: 12.35

Determine Stacey’s:

1. Gross pay
2. Total Deductions
3. Net Pay

Solution:

1. Stacey’s gross pay is what she earns: $450.00.
2. Total Deductions: 9.25 + 14.50 + 47.85 + 10.75 + 12.35 =

Her total deductions are

1. Net Pay = Gross Pay – Total deductions

Net Pay = 450.00 –

Complete Questions 1 – 9 on page 28 – 29.