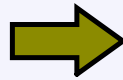


Before-Tax Deductions	
Description	Amt.
Union Dues	\$14.10
Pension	\$20.50
Total	\$34.60

**BENEFITS**

a range of programs that benefit employees; these vary from employer to employer



**These amounts are subtracted from the gross earnings before taxes are calculated.**

**Examples:**

- Union Dues
- Pension
- Canada Savings Bonds
- Medical / Dental plans

Employee Name:				
Company:	Pay Begin Date: 08/17/2011	Net Pay: \$413.88		
	Pay End Date: 08/23/2011	Cheque Date: 08/23/2011		
<b>General</b>			<b>Taxes Data</b>	
Employee ID:		Job Title:		Description
Address: PEI		Pay Rate: \$500.00/wk Annual: \$26 000.00		Federal
			Claim Code	1
<b>Hours and Earnings</b>			<b>Before-Tax Deductions</b>	
Current			<b>Description</b>	<b>Amt.</b>
<b>Description</b>	<b>Rate</b>	<b>Gross Earnings</b>	Union Dues	\$1.38
Regular	\$500.00/wk	\$500.00	Pension	\$43.00
			Total	<b>\$44.38</b>
<b>Taxes</b>				
			<b>Description</b>	<b>Current</b>
			Federal	
			Provincial	
			CPP	
			EI	
			Total	
<b>Paycheque Summary</b>				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
\$500.00				

**Before - Tax Deductions**

The amount we subtract off the gross earnings.

$$\mathbf{\$1.38 + \$43.00 = \$44.38}$$

Employee Name:		Company:		Pay Begin Date: 08/17/2011	Net Pay: \$413.88
				Pay End Date: 08/23/2011	Cheque Date: 08/23/2011
General			Taxes Data		
Employee ID:	Job Title:		Description	Federal	
Address: PEI	Pay Rate: \$500.00/wk Annual: \$26 000.00		Claim Code	1	
Hours and Earnings			Before-Tax Deductions		Taxes
Description	Rate	Current	Description	Current	
		Gross Earnings	Union Dues	\$1.38	
Regular	\$500.00/wk	\$500.00	Pension	\$43.00	
			Total	<u>44.38</u>	
Paycheque Summary					
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay	
\$500.00	<u>\$455.62</u>				

EI rate = 1.65%  
CPP rate = 4.95%

Calculate the "taxable gross" pay.  
Gross Pay - Before Tax Deductions

Taxable Gross  
The amount used to calculate tax.

$$\underline{\$500.00} - \underline{\$44.38} = \boxed{\$455.62}$$

↑  
Taxable Gross

① CPP:

$\begin{array}{r} \text{①) } \$3500.00 \\ \underline{\quad 50} \\ = \$67.31 \end{array}$	$\begin{array}{r} \text{②) } 500.00 \\ \underline{- 67.31} \\ = \$432.69 \end{array}$	$\begin{array}{r} \text{③) } \$432.69 \times 0.0495 \\ = \$21.42 \end{array}$
--	---	---

② EI:

$$\$500.00 \times 0.0165 = \$8.25$$

③ "Before Tax" deductions: Union, Pension, Medical.

$$\$1.38 + \$43.00 = 44.38$$

④ Federal Tax (Taxable Gross + Claim Code)

$$\begin{aligned} \text{Taxable Gross} &= \$455.62 \\ \text{Claim Code} &= 1 \\ \text{Federal Deduction} &= \$30.05 \text{ (Booklet)} \end{aligned}$$

⑤ Provincial Tax (Taxable Gross + Claim Code)

$$\begin{aligned} \text{Taxable Gross} &= \$455.62 \\ \text{Claim Code} &= 1 \\ \text{Provincial Deduction} &= \$22.95 \text{ (Booklet)} \end{aligned}$$


# Federal & Provincial Tax

"Canada Revenue Agency"


**www.cra-arc.gc.ca**




 English

 Links for business Payroll

 Payroll Deductions Online Calculator (PDOC), payroll tables, TD1s, and more

 T4032, Payroll Deductions Tables

 T4032 - 2011

Scroll down to the bottom of page to choose province

## WHAT CODE???

Employers have their employees fill out a Personal Tax Credit Return form to determine how much taxes should be taken off each cheque.



School... Disability... Spouse... Caregiver... Infirm dependent... etc. ???

**Most employees prefer to be under Code #1 because they will get money back at the end of the year.**

**Chart 1 – Tableau 1**  
2011 federal claim codes – Codes de demande fédéraux pour 2011

Total claim amount (\$) Montant total de la demande (\$)		Claim code Code de demande	Total claim amount (\$) Montant total de la demande (\$)		Claim code Code de demande
No claim amount – Nul		0	20,582.01	– 22,593.00	7
Minimum	– 10,527.00	1	22,593.01	– 24,604.00	8
10,527.01	– 12,538.00	2	24,604.01	– 26,615.00	9
12,538.01	– 14,549.00	3	26,615.01	– 28,626.00	10
14,549.01	– 16,560.00	4	28,626.01	and over – et plus	X
16,560.01	– 18,571.00	5	The employer must do a manual calculation of tax. L'employeur doit faire le calcul manuel de l'impôt.		
18,571.01	– 20,582.00	6	No withholding – Aucune retenue		E

**Chart 2 – Tableau 2**  
2011 New Brunswick claim codes – Codes de demande du Nouveau-Brunswick pour 2011

Total claim amount (\$) Montant total de la demande (\$)		Claim code Code de demande	Total claim amount (\$) Montant total de la demande (\$)		Claim code Code de demande
No claim amount – Nul		0	18,883.01	– 20,869.00	7
Minimum	– 8,953.00	1	20,869.01	– 22,855.00	8
8,953.01	– 10,939.00	2	22,855.01	– 24,841.00	9
10,939.01	– 12,925.00	3	24,841.01	– 26,827.00	10
12,925.01	– 14,911.00	4	26,827.01	and over – et plus	X
14,911.01	– 16,897.00	5	The employer must do a manual calculation of tax. L'employeur doit faire le calcul manuel de l'impôt.		
16,897.01	– 18,883.00	6	No withholding – Aucune retenue		E

**Federal tax deductions**

Effective January 1, 2011

Weekly (52 pay periods a year)

Also look up the tax deductions in the provincial table

Taxable Gross

**Retenues d'impôt fédéral**

En vigueur le 1<sup>er</sup> janvier 2011

Hebdomadaire (52 périodes de paie par année)

Cherchez aussi les retenues d'impôt dans la table provinciale

Pay Rémunération		Federal claim codes/Codes de demande fédéraux										
		0	1	2	3	4	5	6	7	8	9	10
From De	Less than Moins de	Deduct from each pay Retenez sur chaque paie										
483 -	487	65.30	34.90	32.00	26.20	20.40	14.60	8.80	3.00			
487 -	491	65.85	35.45	32.55	26.75	20.95	15.15	9.35	3.55			
491 -	495	66.40	36.05	33.15	27.35	21.55	15.75	9.95	4.15			
495 -	499	66.95	36.60	33.70	27.90	22.10	16.30	10.50	4.70			
499 -	503	67.50	37.15	34.25	28.45	22.65	16.85	11.05	5.25			
503 -	507	68.10	37.70	34.80	29.00	23.20	17.40	11.60	5.80			
507 -	511	68.65	38.25	35.35	29.55	23.75	17.95	12.15	6.35	.55		
511 -	515	69.20	38.85	35.95	30.15	24.35	18.55	12.75	6.95	1.15		
515 -	519	69.75	39.40	36.50	30.70	24.90	19.10	13.30	7.50	1.70		
519 -	523	70.30	39.95	37.05	31.25	25.45	19.65	13.85	8.05	2.25		
523 -	527	70.90	40.50	37.60	31.80	26.00	20.20	14.40	8.60	2.80		
527 -	531	71.45	41.05	38.15	32.35	26.55	20.75	14.95	9.15	3.35		
531 -	535	72.00	41.65	38.75	32.95	27.15	21.35	15.55	9.75	3.90		
535 -	539	72.55	42.20	39.30	33.50	27.70	21.90	16.10	10.30	4.50		
539 -	543	73.10	42.75	39.85	34.05	28.25	22.45	16.65	10.85	5.05		

**New Brunswick provincial tax deductions**

Effective January 1, 2011

Weekly (52 pay periods a year)

Also look up the tax deductions in the federal table

**Retenues d'impôt provincial du Nouveau-Brunswick**

En vigueur le 1<sup>er</sup> janvier 2011

Hebdomadaire (52 périodes de paie par année)

Cherchez aussi les retenues d'impôt dans la table fédérale

Pay Rémunération	Provincial claim codes/Codes de demande provinciaux										
	0	1	2	3	4	5	6	7	8	9	10
From Less than De Moins de	Deduct from each pay Retenez sur chaque paie										
509 - 517	43.85	28.20	26.45	22.95	19.50	16.00	12.55	9.05	5.60	2.10	
517 - 525	44.50	28.85	27.10	23.65	20.15	16.70	13.20	9.75	6.25	2.80	
525 - 533	45.20	29.55	27.80	24.30	20.85	17.35	13.90	10.40	6.95	3.45	
533 - 541	45.90	30.20	28.50	25.00	21.50	18.05	14.55	11.10	7.60	4.15	.65
541 - 549	46.55	30.90	29.15	25.70	22.20	18.75	15.25	11.80	8.30	4.85	1.35
549 - 557	47.25	31.55	29.85	26.35	22.90	19.40	15.95	12.45	9.00	5.50	2.05
557 - 565	47.90	32.25	30.50	27.05	23.55	20.10	16.60	13.15	9.65	6.20	2.70
565 - 573	48.60	32.95	31.20	27.70	24.25	20.75	17.30	13.80	10.35	6.85	3.40
573 - 581	49.30	33.60	31.85	28.40	24.90	21.45	17.95	14.50	11.00	7.55	4.05
581 - 589	49.95	34.30	32.55	29.05	25.60	22.10	18.65	15.15	11.70	8.20	4.75
589 - 597	50.65	34.95	33.25	29.75	26.30	22.80	19.35	15.85	12.40	8.90	5.45



**Nova Scotia provincial tax deductions**

Effective January 1, 2011

Weekly (52 pay periods a year)

Also look up the tax deductions  
in the federal table**Retenues d'impôt provincial de la Nouvelle-Écosse**En vigueur le 1<sup>er</sup> janvier 2011

Hebdomadaire (52 périodes de paie par année)

Cherchez aussi les retenues d'impôt  
dans la table fédérale

Pay Rémunération	Provincial claim codes/Codes de demande provinciaux											
	0	1	2	3	4	5	6	7	8	9	10	
From Less than De Moins de	Deduct from each pay Retenez sur chaque paie											
494 - 502	41.10	27.20	25.85	23.15	20.45	17.75	15.05	12.35	9.65	6.90	4.20	
502 - 510	41.80	27.85	26.50	23.80	21.10	18.40	15.70	13.00	10.30	7.60	4.85	
510 - 518	42.45	28.50	27.15	24.45	21.75	19.05	16.35	13.65	10.95	8.25	5.55	
518 - 526	43.10	29.20	27.80	25.10	22.40	19.70	17.00	14.30	11.60	8.90	6.20	
526 - 534	43.75	29.85	28.50	25.75	23.05	20.35	17.65	14.95	12.25	9.55	6.85	
534 - 542	44.40	30.50	29.15	26.45	23.75	21.00	18.30	15.60	12.90	10.20	7.50	
542 - 550	45.05	31.15	29.80	27.10	24.40	21.70	18.95	16.25	13.55	10.85	8.15	
550 - 558	45.70	31.80	30.45	27.75	25.05	22.35	19.65	16.90	14.20	11.50	8.80	
558 - 566	46.35	32.45	31.10	28.40	25.70	23.00	20.30	17.60	14.85	12.15	9.45	
566 - 574	47.10	33.15	31.80	29.10	26.40	23.70	21.00	18.30	15.60	12.90	10.20	
574 - 582	48.25	34.30	32.95	30.25	27.55	24.85	22.15	19.45	16.75	14.05	11.30	

$$\begin{aligned}
 \text{Net Pay} &= \text{Gross Pay} - \text{Deductions} - \text{Taxes} \\
 &= 650.00 - \$34.60 - \$134.78 \\
 &= \$480.62
 \end{aligned}$$

Employee Name: Hermione		
Company:	Pay Begin Date: 09/08/2011	● Net Pay:
	Pay End Date: 15/08/2011	Cheque Date: 16/08/2011

General		Taxes Data	
<b>Employee ID:</b>	Job Title: Appliance Repair Apprentice	Description	Federal
<b>Address:</b> 123 Main Street St. John, NB	Pay Rate: \$650.00/wk Annual: \$33 800.00	Claim Code	1

Hours and Earnings			Before-Tax Deductions		Taxes	
Description	Current		Description	Amt.	Description	Amt.
	Rate	Gross Earnings				
Regular	\$650.00/wk ●	\$650.00	Union Dues	\$14.10	Federal	\$53.10
			Pension	\$20.50	Provincial	\$42.00
			<b>Total</b>	● \$34.60	CPP	\$28.43
					EI	\$11.25
					<b>Total</b>	● \$134.78

Employee Name:		
Company:	Pay Begin Date: 08/17/2011	Net Pay: \$112.00
	Pay End Date: 08/23/2011	Cheque Date: 08/23/2011

General	
Employee ID:	Job Title:
Address:	Pay Rate: $775.00/wk$ Annual:

Taxes Data	
Description	Federal
Claim Code	3

Hours and Earnings		
	Current	
Description	Rate	Gross Earnings
Regular		

Before-Tax Deductions	
Description	Amt.
Union Dues	\$26.00
Pension	\$55.00
Total	$81.00$

Taxes	
Description	Current
Federal	$54.35$
Provincial	
CPP	
EI	
Total	

Paycheque Summary				
Gross Earnings	Taxable Gross	Total Taxes, CPP, and EI	Total Deductions	Net Pay
\$775.00	$694.00$			

EI rate = 1.65%  
CPP rate = 4.95%

Calculate:

1. EI
2. CPP
3. "Before tax Deductions" =  $26.00 + 55.00 = \boxed{81.00}$
4. Taxable gross pay =  $775.00 - 81.00 = \boxed{694.00}$
5. Federal Tax = \$54.35
6. Provincial tax =
7. Net Pay

# Homework