

MEL3E

Mathematics for Everyday Life Grade 11, Workplace



Unit One

Lesson One – Earning an Income

- Calculating various pay periods
- Converting to and from annual salary
- Calculating piecework earnings

Lesson Two – Commission and Hourly Rates

- Calculating hourly earnings
- Calculating overtime earnings
- Calculating commission earnings
- Percent of a number

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- Recognizing gross pay
- Calculating total deductions
- Calculating net pay

Lesson Four

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- Calculating HST
- Calculating discount
- Calculating price after discount and taxes
- Recognizing tax exempt items in Ontario

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- Tax deductions

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Earning an Income



Lesson 1

Lesson One Concepts

- Calculating various pay periods
- Converting to and from annual salary
- Calculating piecework earnings

Earning an Income

Salary: usually based on an annual amount and given in regular installments.

The **most** standard pay periods are:

Monthly: Once a month

Semi-monthly: The 15th and last day of each month

Weekly: Every week

Bi-Weekly: Every second week

Example 1

Brianna makes \$25 000 per year. Calculate her pay if she was paid:

a. Monthly

$$25000 \div 12 = \$2083.33$$

b. Semi-monthly

$$25000 \div 24 = \$1041.67$$

c. Weekly

$$25000 \div 52 = \$480.77$$

d. Bi-weekly

$$25000 \div 26 = \$961.54$$



Support Questions

1. Calculate the monthly, semi-monthly, weekly and bi-weekly for each of the annual salaries given.

a. \$20 000

b. \$17250

c. \$45500

2. Calculate the annual salary.

a. \$500 weekly

b. \$2040 monthly

c. \$1200 semi-monthly

d. \$692.50 bi-weekly

Piecework

Piecework is an income based on the number of items produced or sold.

Earnings can include a combination of salary and piecework

Example 1

Noah sells chocolate bars for a charity. He gets paid \$20 per day and \$0.50 per chocolate bar sold. Suppose Noah sold 218 chocolate bars in 3 days, how much did he earn by the end of the 3rd day?

Solution

$$\begin{aligned}\text{Earnings} &= \text{per day salary} + 0.50 \times \text{number of chocolate bars sold} \\ &= 3 \times 20 + 218 \times 0.50 \\ &= 60 + 109 \\ &= \$169\end{aligned}$$

Example 2

Kristen gets paid \$0.25/lbs for picking cherries. How much does she earn if she picks 372 lbs?

Solution

$$\begin{aligned}\text{Earnings} &= 0.25 \times 372 \\ &= \$93.00\end{aligned}$$



Support Questions



- David works at a hockey rink selling programs. He is paid \$12 per night and \$0.25 per program sold. If he sold 121 programs at the last game, how much did he earn?
- Owen earns \$78.75 building packing boxes for a moving company. He built 225 packing boxes. How much did he earn per box?
- Angelina is paid with piecework. She earned \$147.50 selling 59 newspapers. How much did she earn per newspaper?



Key Question #1

- Calculate the monthly, semi-monthly, weekly and bi-weekly for each of the annual salaries given.
 - \$32 000
 - \$16 750
 - \$51 500


2. Calculate the annual salary.

a. \$438.28 bi-weekly

b. \$2 040 semi-monthly

c. \$1 850 monthly

d. \$491.72 weekly

3. Kim sells newspapers for the  .
She is paid \$10 per week and \$0.18 per newspaper sold.
One week she sells 829 newspapers.
How much does she earn selling newspapers that week?

4. Don earns \$129.00 picking fruit for  Fruit. He is paid per pound picked and picked 300 lbs of fruit. How much did he earn **per pound** of fruit picked?

5. Richard is paid with piecework. He earned \$273.00 cutting 21 lawns. How much did he earn per lawn?

6. As an employer what is one advantage and one disadvantage of hiring employees entirely on piecework?
7. Use the job posting given below to calculate the monthly and weekly pay.

 Government of Canada / Gouvernement du Canada **Canada**

Job Advertisement

Advertisement number: 14468

Title: Office manager (for a growing plumbing service company) **(NOC: 122)**

Terms of Employment: Permanent, Full Time, Day

Salary: \$24 000 annually for first 2 years

Anticipated Start Date: As soon as possible

Location: Oshawa, Ontario (1 vacancy)

Skill Requirements:

- Education:** Completion of high school, Completion of college/CEGEP/vocational or technical training
- Experience:** 6 - 9 years
- Languages:** Speak English, Read English, Write English
- Work Setting:** Private sector
- Business Equipment and Computer Applications:** Windows, General office equipment, Electronic mail, Electronic scheduler, Word processing software, Spreadsheet software, Accounting software, Database software, Inventory

8. If given the choice, which pay period would you choose: monthly, semi-monthly, bi-weekly or weekly? Explain your choice and give one advantage and one disadvantage of the type of pay period you picked.

Commission and Hourly Rates



Lesson 2



Support Questions

1. Multiply each of the hourly rates by time and a half to calculate the overtime rate.
 - a. \$8.00
 - b. \$11.00
 - c. \$12.50
 - d. \$17.43

2. Calculate the overtime pay and total pay for each situation. Assume a regular work week is 40hr/week and overtime is time and a half.
 - a. 63hrs at \$6.50/hr
 - b. 47 hrs at \$11.00/hr

Commission

Commission is earnings that are based on a percentage of sales made.

Example 1: What is 8% of \$2000.00?

Solution: 8% of 2000 = $\frac{8}{100} \times 2000$
= 0.08×2000
= \$160.00

Example 2: What is 3.25% of \$225000?

Solution: 3.25% of 225000 = $\frac{3.25}{100}$
= 0.0325×225000
= \$7312.50



Support Questions

3. Calculate.
- a. 3% of 1500 b. 5.5% of 2000 c. 11% of 12500
4. Brianna is a real estate broker who earns 4.25% commission on the selling price of every house she sells. How much does she earn on a house that sells for \$318000?
5. Noah is a car salesperson who earns a commission of 6% on all his car sales. One month, Noah sold \$122345 worth of cars. How much were his earnings for that month?



Key Question #2

1. Multiply each of the hourly rates by time and a half to calculate the overtime rate.
- a. \$7.20 b. \$13.50 c. \$6.15 d. \$34.63

2. Calculate the overtime pay and total pay for each situation. Assume a regular work week is 40hr/week and overtime is time and a half.

a. 57hrs at \$6.25/hr

b. 41 hrs at \$10.00/hr

3. Calculate.

a. 3.5% of 1200

b. 5.75% of 300

c. 15% of 1000

4. Noah is a stock broker who earns 8.3% commission on the selling price of every stock sold. How much does he earn on a stock that sold for \$24831.26?

5. Brenda sells clothes in a boutique on Rodeo Drive. She earns 12% commission on weekly sales up to \$20000 and 15% on all sales over \$20000. How much does she earn in one week if her sales were \$28700?



6. Name one advantage and one disadvantage of earning a living based entirely on commission.

Gross and Net Pay



Lesson 3

Lesson Three Concepts

- Understanding types of deductions
- Recognizing gross pay
- Calculating total deductions
- Calculating net pay

Gross and Net Income

Gross Income: is the amount earned before any type of deduction is taken away from your pay.

There are all types of deductions that can come off earnings.

Some deductions that can occur are as follows.

- Income Tax
- Canada Pension Plan (C.P.P.)
- Employment Insurance (E.I.)
- Company pension plans
- Health and Dental Insurance
- Extended Health and Dental Insurance
- Life insurance
- Union Dues
- Donations to Charities
- Registered Education Savings Plans (RESP)
- Registered Retirement Savings Plans (RRSP)

Net income: The amount of pay left after all deductions have been taken off.

Example 1: Brianna earns \$425 per week working for a reality company. The deductions from her weekly pay are:

EI	\$10.12
CPP	\$17.29
Income Tax	\$62.86
Health Plan	\$8.91
Company Pension Plan	\$15.23

Determine Brianna's

- a. Gross Pay b. Total Deductions c. Net Pay

Solution: \$425.00 b. Total deductions = $10.12 + 17.92 + 62.86 + 8.91 + 15.23 = \115.04

$$\begin{aligned} \text{c. Net pay} &= \text{Gross pay} - \text{Total deductions} \\ &= 425.00 - 115.04 \\ &= \$309.96 \end{aligned}$$



Support Questions

1. Complete the table given below.

Name	Gross Pay	Deductions	Net Pay
Cliff	\$261.23	\$44.57	
Elaine		\$71.45	\$419.83
Lester	\$518.24		\$388.16
Evelyn		\$122.65	\$496.22

2. Noah earns \$1824 per month working at a bank. The deductions from his monthly pay are:

EI	\$112.45
CPP	\$89.14
Income Tax	\$412.74
Health Plan	\$15.12
Company Pension Plan	\$33.18
Life Insurance	\$2.45
RRSP contribution	\$100.00
Union Dues	\$17.25

Determine Noah's

- Gross Pay
- Total Deductions
- Net Pay

3. Kristen earns \$918.38 per semi-monthly working at a travel agency. The deductions from her semi-monthly pay are:

EI	\$58.72
CPP	\$37.69
Income Tax	\$218.54
Health Plan	\$7.12
Life Insurance	\$1.17
RESP contribution	\$25.00
Union Dues	\$5.44

Determine Kristen's

Gross Pay =

Total Deductions =

Net Pay =

4. Ashlee works 36 hours per week. Her net income is \$249 and her deductions are \$91.12. What is her hourly rate of pay?



Key Question #3

1. Complete the table given below.

Name	Gross Pay	Deductions	Net Pay
Richard	\$761.23	\$287.12	
Lee	\$512.93		\$365.57
Ashlee		\$518.24	\$388.16
Don	\$922.65		\$496.22

2. Brad earns \$618.36 per bi-weekly working at The Keg. The deductions from his bi-weekly pay are:

EI	\$72.41
CPP	\$33.15
Income Tax	\$168.27
Dental Plan	\$11.45
Life Insurance	\$5.45
RRSP contribution	\$25.00



Determine Brad's

Gross Pay =

Total Deductions -

Net Pay =

3. Amber earns \$12.25 per hours. She works 37 hours a week. Here are her weekly deductions:

EI	\$9.05
CPP	\$15.57
Income Tax	\$48.76
Company Pension Plan	\$11.03
Union Dues	\$4.81

Determine Amber's

Gross Pay =

Total Deductions =

Net Pay =

4. Explain why using gross pay is not recommended and net pay is recommended when preparing a budget.

Sales Tax



Lesson 4

Lesson Four Concepts

- Calculating HST
- Calculating discount
- Calculating price after discount and taxes
- Recognizing tax exempt items in Ontario

Sales Tax: Sales tax is a fee charged on top of the regular cost of an item or service. Sales tax is a percent of the cost.

Example 1

- a. What is the sales tax on an item that costs \$24.99 when the sales tax is at a rate of 8%?

Solution

Sales tax = rate% \times cost of item

$$= 8\% \text{ of } \$24.99$$

$$8 \div 100 = .08$$

$$= .08 \times 24.99$$

$$= 1.9992$$

$$= \$2.00$$

Rounding to the nearest cent rounds the amount up to an even 2 dollars.

Province	Type	Prov. Tax Rate (%)	Total Tax Rate (%)	Notes
Alberta	GST	0	5	There is a 4% tax on lodging and 4% tax on hotel room fees.
British Columbia	GST + PST	7	12	Reverted to a separate GST/PST on April 1st, 2013, with a PST of 7%, after their adoption of a HST in 2010 was rejected in a referendum.
Manitoba	GST + PST	8	13	There is a 5% tax on lodging and 5% tax on hotel room fees.
New Brunswick	HST	8	13	
Newfoundland and Labrador	HST	8	13	
Northwest Territories	GST	0	5	
Nova Scotia	HST	10	15	Rates were meant to be reduced to 14 and 13% on July 1, 2014 and July 1, 2015 respectively. However, the new government has said that the province can't afford that.
Nunavut	GST	0	5	
Ontario	HST	8	13	Restaurant meals (whether dine-in or take-out, and including fast food) under \$4 are exempt from the Ontario portion. Alcoholic beverages purchased from licensed restaurants are also subject to an Ontario rate of 13%.
Prince Edward Island	HST	9	14	Provincial rate was decreased from 10% when PEI switched to a HST on April 1 2013.
Quebec	GST + QST	9.975	14.975	Books are taxed at 5.0% (considered essential goods for QST but not for GST)
Saskatchewan	GST + PST	5	10	There is a separate 10% liquor consumption tax. The non-alcoholic portion of a restaurant meal is not taxed.
Yukon	GST	0	5	

Example 2: What is the difference in price paid after taxes on the same \$11.49 item purchased in both British Columbia and PEI?

Solution	B.C.	PEI
	PST + GST = 12%	HST = 14%
	12% = 0.12	14% = 0.14
	Taxes = 0.12×11.49	Taxes = 0.14×11.49
	= \$1.38	= \$1.60
	Total price = item price + taxes	Total price = item price + taxes
	= $11.49 + 1.38$	= $11.49 + 1.60$
	= \$12.87	= \$13.09

Difference paid between provinces is \$13.09 – \$12.87 = \$0.22



Support Questions

1. Calculate the amount of sales tax (use total tax rate) on each item given the province in which the item was purchased.
 - a. Baseball hat retailing for \$14.99. (Ontario)
 - b. DVD player retailing for \$109.97. (British Columbia)
 - c. Cell phone retailing for \$189.00. (Alberta)

2. Calculate the saving on the sales tax (use total tax rate) for a \$329.00 television that is purchased in British Columbia instead of Ontario.

Ontario H.S.T. (Harmonized Sales Tax) exempt items.

Exempt means the provincial sales tax is not added to the price of the purchase.

- Basic Groceries (Dairy, Meat, Vegetables, Canned Goods)
- Municipal Water
- Books, newspapers, magazines if bought by subscription
- Child care services
- Children's clothing (GST - remains 5%)
- Drug or medicines sold under a doctor's prescription
- Footwear under \$30.00 (GST – remains 5%)
- Candy under \$0.21
- Feminine hygiene products
- Gift certificates
- Goods designed for those with disabilities
- Municipal Public Transit
- GO Transit
- Air Travel originating on Ontario and Terminating outside of Canada & USA
- Rail, boat and bus travel originating in Ontario and terminating outside of Canada
- Auto Insurance
- Resale homes
- Dental services
- Prescription Glasses/Contact lenses
- Music Lessons
- Condo fees
- Residential Rents
- Legal Aid

The Good and Services Tax (G.S.T.)

The G.S.T. is a federal tax that is applied to most goods and services everywhere in Canada. The G.S.T. rate is 5%.

Example 1: Calculate the G.S.T. on an item that sells for a regular \$8.99.

Solution : $G.S.T. = 0.05 \times 8.99$
 $= \$0.45$

3. Calculate the total cost each item after the HST (13%) is included.

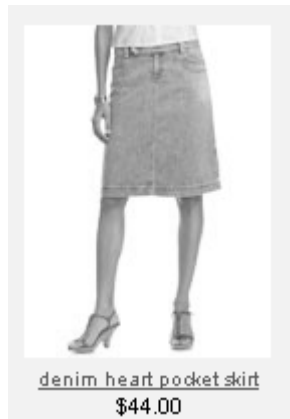
a.



b.



c.



d.



Sales Tax on Discounted items

Sales tax is always added after the discount of an item is taken off.

Example 1: Calculate the discounted price and then its total cost with the H.S.T. (13%) on the discounted item.

CCM Toronto Maple Leafs Customized Authentic White Jersey



Solution

$$\begin{aligned}\text{Discount} &= 0.25 \times 274.99 \\ &= \$68.75\end{aligned}$$

$$\begin{aligned}\text{Sale Price} &= \text{Original Price} - \text{Discount} \\ &= 274.99 - 68.75 \\ &= \$206.24\end{aligned}$$

Total Price including taxes;

$$206.24 \times 1.13 = \$233.05$$

1 is the item's price

.13 is the tax



Support Questions

4. Calculate the total cost after discount and sales taxes (assume 13% for HST).

a.



Fiesta Classic 300 Barbeque with Side Burner

Boasting many of the same great features as the Classic 300, this unit also has the convenience of a side-burner, for the multi-tasking chef.

Regular Price: **\$189.00**

Sale:
35% off

b.



Regular **\$110.00**

1/3 off

c.

Lexington Pool Table - Oak Finish

Sale 1/4 off



Regular
\$2999.99



Key Question #4

1. Calculate the **amount of sales tax** (use total tax rate) on each item given the province in which the item was purchased.
 - a. T-Shirt retailing for \$11.99. (British Columbia)

 - b. MP3 player retailing for \$149.99. (Yukon)

 - c. Table retailing for \$89.00. (Ontario)

 - d. Clock radio retailing for \$16.29. (Manitoba)

 - e. Helmet retailing for \$38.97. (PEI)

2. Calculate the saving on the sales tax (use total tax rate) for a \$1299.00 plasma television that is purchased in Alberta instead of Nova Scotia.

3. Calculate the total cost each item after the H.S.T. (13%) and G.S.T. is included.

a.

Roots Mini Backpack



Regular Price: **\$19.00**

b.

Sauder Computer Desk with Hutch
\$149.00



c.

Wilson Tierra Deluxe Navy Golf Bag

Regular Price: **\$35.99**



d.

Casio G-Shock Watch – Unisex
\$49.00



4. Calculate the total cost after discount and sales taxes (assume 13% for HST).

a.

Uniden 5.8 GHz Cordless Phone with Dual Handset

Regular Price: **\$79.00**



20% off

b.

Audiovox Portable 7" DVD Player

1/2 off**\$299.00**

c.

Philips Ladyshave Wet/Dry Rechargeable Shaver

Regular Price: **\$35.00****45% off**

5. List 5 Ontario H.S.T. exempt items that you might use.

6. Why do you think gift certificates are HST exempt?

7. Brianna purchased an item at a local store. Shown below is how the sales clerk calculated the total cost of Brianna's item. Explain where the sales clerk made an error and why the total cost cannot be calculated this way.

Assume 13% HST (HST = .6% PST + 5% GST)

$$12.99 \times 0.06 = 0.78$$

$$0.78 + 12.99 = 13.77$$

$$13.77 \times 0.08 = 1.10$$

$$13.77 + 1.10 = \$14.87$$

Income Tax





Lesson 5

Lesson Five Concepts

- Interpreting various tax forms, Recognizing various tax forms, Tax deductions

The **T1 General Income Tax Forms** are mailed to people who filed their income tax the previous year. Otherwise they can be picked up at postal outlets or online where the forms are entirely blank.


	Canada Customs and Revenue Agency Agence des douanes et du revenu du Canada	T1 GENERAL 2004											
Income Tax and Benefit Return													
Identification		ON 8											
Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below. First name and initial _____ Last name _____ Mailing address: Apt. No. – Street No. Street name _____ P.O. Box, R.R. _____ City _____ Prov./Terr. _____ Postal code _____		Information about you Enter your social insurance number (SIN) if you are not attaching a label: _____ Year Month Day Enter your date of birth: _____ Your language of correspondence: English Français Votre langue de correspondance : <input type="checkbox"/> <input type="checkbox"/> Check the box that applies to your marital status on December 31, 2004: (see the "Marital status" section in the guide for details) 1 <input type="checkbox"/> Married 2 <input type="checkbox"/> Living common law 3 <input type="checkbox"/> Widowed 4 <input type="checkbox"/> Divorced 5 <input type="checkbox"/> Separated 6 <input type="checkbox"/> Single											
Information about your residence Enter your province or territory of residence on December 31, 2004: _____ Enter the province or territory where you currently reside if it is not the same as that shown above for your mailing address: _____ If you were self-employed in 2004, enter the province or territory of self-employment: _____ If you became or ceased to be a resident of Canada in 2004, give the date of: _____ entry Month Day or departure Month Day		Information about your spouse or common-law partner (if you checked box 1 or 2 above) Enter his or her SIN if it is not on the label, or if you are not attaching a label: _____ Enter his or her first name: _____ Enter his or her net income for 2004 to claim certain credits: (see the guide for details) _____ Check this box if he or she was self-employed in 2004: 1 <input type="checkbox"/>											
 Elections Canada THIS SECTION APPLIES <u>ONLY</u> TO CANADIAN CITIZENS. DO NOT ANSWER THIS QUESTION IF YOU ARE NOT A CANADIAN CITIZEN. As a Canadian citizen, I authorize the Canada Revenue Agency to provide my name, address and date of birth to Elections Canada for the National Register of Electors. Yes <input type="checkbox"/> 1 No <input type="checkbox"/> 2 Your authorization is required each year. This information will be used only for purposes permitted under the <i>Canada Elections Act</i> .		If this return is for a deceased person, enter the date of death: _____ Year Month Day Do not use this area											
Goods and services tax/harmonized sales tax (GST/HST) credit application See the guide for details. Are you applying for the GST/HST credit? Yes <input type="checkbox"/> 1 No <input type="checkbox"/> 2													
<p>Your guide contains valuable information to help you complete your return.</p> <p>When you come to a line on the return that applies to you, look up the line number in the guide for more information.</p>													
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; font-size: x-small;">Do not use this area</td> <td style="width: 15%; text-align: center;">172</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">171</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> </table>			Do not use this area	172					171				
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To help complete your taxes there are various forms that need to be completed to calculate the amount of tax that should be paid both provincially and federally.

The **Schedule 1** is done federally and form **ON428** is done provincially.

Both of these forms come in the T1 General Form package.

T1-2004		Federal Tax				Schedule 1			
Complete this schedule to claim your federal non-refundable tax credits and to calculate your net federal tax.									
You must attach a copy of this schedule to your return.									
Enter your taxable income from line 260 of your return									
Use the amount on line 1 to determine which ONE of the following columns you have to complete.									
If the amount on line 1 is:									
\$35,000 or less		more than \$35,000 but not more than \$70,000		more than \$70,000 but not more than \$113,804		more than \$113,804			
Enter the amount from line 1 above									
Base amount		Line 2 minus line 3 (this amount cannot be negative)		Rate		Multiply the amount on line 4 by the rate on line 5		Tax on base amount	
0 0, 0 0 0 0 0		=		× 16%		=		0, 0 0 0 0 0	
3 - 35, 0 0 0 0 0		4 =		× 22%		6 =		7 + 5, 6 0 0 0 0	
3 - 70, 0 0 0 0 0		4 =		× 26%		6 =		7 + 13, 3 0 0 0 0	
3 - 113, 8 0 4 0 0		4 =		× 29%		6 =		7 + 24, 6 8 9 0 0	
		8 =				8 =			
Add lines 6 and 7									
Federal non-refundable tax credits (Read the guide for details about these credits.)									
Basic personal amount claim \$8,012 300									
Age amount (if you were born in 1939 or earlier) (maximum \$3,912) 301+									
Spouse or common-law partner amount:									
Base amount		7 4 8 4 0 0		Minus: his or her net income (from page 1 of your return)		=		Result: (if negative, enter "0")	
								(maximum \$6,803) 303+	
Amount for an eligible dependant (attach Schedule 5) (maximum \$6,803) 305+									
Amount for infirm dependants age 18 or older (attach Schedule 5) 306+									
CPP or QPP contributions:									
through employment from box 16 and box 17 on all T4 slips (maximum \$1,831.50) 308+									
on self-employment and other earnings (attach Schedule 8) 310+									
Employment Insurance premiums from box 18 on all T4 slips (maximum \$772.20) 312+									
Pension income amount (maximum \$1,000) 314+									
Caregiver amount (attach Schedule 5) 315+									
Disability amount 316+									
Disability amount transferred from a dependant 318+									
Interest paid on your student loans 319+									
Tuition and education amounts (attach Schedule 11) 323+									
Tuition and education amounts transferred from a child 324+									
Amounts transferred from your spouse or common-law partner (attach Schedule 2) 326+									
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1987 or later (see the guide) 330									
Minus: \$1,813 or 3% of line 236, whichever is less									
Subtotal (if negative, enter "0") = (A)									
Allowable amount of medical expenses for other dependants (see the calculation at line 331 in the guide and attach Schedule 5) 331+									
Add lines (A) and (B). = 332+									
Add lines 300 to 326, and 332. 335=									
Multiply the amount on line 335 by 16% = 338									
Donations and gifts (attach Schedule 9) 349+									
Total federal non-refundable tax credits: Add lines 338 and 349. 350=									

 Ontario		Ontario Tax		ON428 T1 General – 2004
Complete this form and attach a copy of it to your return. For details, see pages 1 to 5 in the forms book.				
Step 1 – Ontario tax on taxable income				
Enter your taxable income from line 260 of your return _____ 1				
Use the amount on line 1 to determine which ONE of the following columns you have to complete.				
	If line 1 is \$33,375 or less	If line 1 is more than \$33,375, but not more than \$66,752	If line 1 is more than \$66,752	
Enter the amount from line 1 in the applicable column	0 00	33,375 00	66,752 00	
Line 2 minus line 3 (cannot be negative)	=	=	=	
Multiply line 4 by line 5	× 6.05%	× 9.15%	× 11.16%	
	=	=	=	
	+ 0 00	+ 2,019 00	+ 5,073 00	
Add lines 6 and 7	=	=	=	Ontario tax on taxable income
	Go to Step 2	Go to Step 2	Go to Step 2	
Step 2 – Ontario non-refundable tax credits				
Important: Provincial non-refundable tax credits may be different from the federal amounts claimed on Schedule 1. For details, see the <i>Provincial Worksheet</i> and pages 1 to 4 in the forms book.				
Basic personal amount	For internal use only 5805 claim \$8,044 5804			9
Age amount (if born in 1939 or earlier)	(use provincial worksheet) 5808 +			10
Spouse or common-law partner amount				
Base amount	7,513 00			
Minus: his or her net income from page 1 of your return	=			
Result (if negative, enter "0")	=	(maximum \$6,830) 5812 +		11
Amount for an eligible dependant	(use provincial worksheet) 5816 +			12
Amount for infirm dependants age 18 or older	(use provincial worksheet) 5820 +			13
Canada Pension Plan or Quebec Pension Plan contributions:				
(amount from line 308 of your federal Schedule 1)	5824 +			• 14
(amount from line 310 of your federal Schedule 1)	5828 +			• 15
Employment Insurance premiums (amount from line 312 of your federal Schedule 1)	5832 +			• 16
Pension income amount (use provincial worksheet)	5836 +			17
Caregiver amount (use provincial worksheet)	5840 +			18
Disability amount (see line 5844 on page 2 of the forms book)	5844 +			19
Disability amount transferred from a dependant (use provincial worksheet)	5848 +			20
Interest paid on your student loans (amount from line 319 of your federal Schedule 1)	5852 +			21
Your tuition and education amounts (attach Schedule ON(S11))	5856 +			22
Tuition and education amounts transferred from a child	5860 +			23
Amounts transferred from your spouse or common-law partner (attach Schedule ON(S2))	5864 +			24
Medical expenses (see line 5868 in the forms book) 5868				25
Enter \$1,821 or 3% of line 236, whichever is less	=			26
Line 25 minus line 26 (if negative, enter "0")	=			27
Allowable amount of medical expenses for other dependants calculated for line 5872 on the <i>Provincial Worksheet</i>	5872 +			28
Add lines 27 and 28	5876 =			29
Add lines 9 through 24, and line 29	5880 =			30
Non-refundable tax credit rate		× 6.05%		31
Multiply line 30 by line 31	5884 =			32
Donations and gifts:				
Amount from line 345 of your federal Schedule 9	× 6.05% =			33
Amount from line 347 of your federal Schedule 9	× 11.16% =			34
Add lines 33 and 34	5896 =			35
Add lines 32 and 35	5896 =			36
				Ontario non-refundable tax credits 6150 =
5006-C Complete Steps 3 to 6 and also Step 7 (Ontario Health Premium) on the back →				

Information slips are also government forms. Two such forms are the T4 and the T5 slips.

Following is an example of a blank T4 slip.

The form is titled "T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE" and is issued by the Canada Customs and Revenue Agency. It contains the following sections and fields:

- Employer's name - Nom de l'employeur** (Line 1)
- Year - Année** (Line 14)
- VOID ANNULE** (Line 14)
- Employment income - line 101 / Revenus d'emploi - ligne 101** (Line 16)
- Income tax deducted - line 437 / Impôts sur le revenu retenus - ligne 437** (Line 22)
- Business Number - Numéro d'entreprise** (Line 54)
- Province of employment - Province d'emploi** (Line 10)
- Employee's CPP contributions - line 308 / Cotisations de l'employé au RPC - ligne 308** (Line 16)
- EI insurable earnings - Gains assurables d'AE** (Line 24)
- Social Insurance number - Numéro d'assurance sociale** (Line 12)
- Exempt - Exemption** (Line 28) with checkboxes for CPP, EI, RPP, RRQ, and AE.
- Employment code - Code d'emploi** (Line 29)
- Employee's CPP contributions - line 308 / Cotisations de l'employé au RRC - ligne 308** (Line 17)
- CPP-QPP pensionable earnings - Gains ouvrant droit à pension - RPC-RRQ** (Line 26)
- Employee's name and address - Nom et adresse de l'employé** (Line 18) including Last name, First name, and Initials.
- Employee's EI premiums - line 312 / Cotisations de l'employé à l'AE - ligne 312** (Line 18)
- Union dues - line 212 / Cotisations syndicales - ligne 212** (Line 44)
- RPP contributions - line 207 / Cotisations à un RPA - ligne 207** (Line 20)
- Charitable donations - Schedule 1 / Dons de bienfaisance - Annexe 1** (Line 46)
- Pension adjustment - line 206 / Facteur d'équivalence - ligne 206** (Line 52)
- RPP or DPSP registration number - N° d'agrément d'un RPA ou d'un RPDS** (Line 50)
- Other information** (see the back / voir le verso) with multiple "Box - Case" and "Amount - Montant" fields.

T4 slips are completed and issued by the employer.

It is a **Statement of Remuneration Paid**.

What a T4 does is keep an official record of:

- the amount of income earned that calendar year
- the amount of income tax, CPP and EI paid that calendar year
- and other deductions made that calendar year through payroll that affect income tax such as some charity donations or other pension plans

Following is an example of a blank **T5** slip.

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada		Year / Année		T5	
Dividends from Canadian corporations – Dividendes de sociétés canadiennes				STATEMENT OF INVESTMENT INCOME / ÉTAT DES REVENUS DE PLACEMENTS	
10 Actual amount of dividends / Montant réel des dividendes	11 Taxable amount of dividends / Montant imposable des dividendes	12 Federal dividend tax credit / Crédit d'impôt fédéral pour dividendes	13 Interest from Canadian sources / Intérêts de source canadienne	18 Capital gains dividends / Dividendes sur gains en capital	
Other information (see the back) / Autres renseignements (voir au verso)		21 Report code / Code du feuillet		22 Recipient identification number / Numéro d'identification du bénéficiaire	
Box / Case	Amount / Montant	Box / Case	Amount / Montant	23 Recipient type / Type de bénéficiaire	
Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case / Amount / Montant	
Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire			Payer's name and address – Nom et adresse du payeur		
Currency and identification codes / Codes de devise et d'identification		27 Foreign currency / Devises étrangères	28 Transit – Succursale	29 Recipient account / Numéro de compte du bénéficiaire	

T5 (04) For information, see the back. / Pour obtenir des renseignements, lisez le verso. 3636

T5 slips are completed and issued by banks and other financial institutions.

It is a **Statement of Investment Income**.

What a T5 does is keep an official record of:

- amount of interested earned by invested or saved money. Interest is considered income and is therefore taxable income.



Support Questions

1. Why would the government give the tax form to tax filers to complete when filing income tax returns?
2. Do you think it is possible to have more than one T4 in any given year? Explain.

3. Kim works part time at Benny’s Deli. Here is the T4 slip that Kim’s employer sent her.

Employer's name – Nom de l'employeur Benny's Deli 23 Latimer St. Oshawa ON L4R 3T6		Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada T4 STATEMENT OF REMUNERATION PAID / ETAT DE LA REMUNERATION PAYEE		
Business Number / Numéro d'entreprise 54 12356342323		Year / Année 2005	Employment income – line 101 / Revenus d'emploi – ligne 101 14 12 534 39	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437 22 1876 24
Social insurance number / Numéro d'assurance sociale 12 000 123 425	Exempt – Exemption CPP - RPP: 28 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> EI: <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> RPP - RRQ: <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> AE	Province of employment / Province d'emploi 10 ON	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308 16 386 29	EI insurable earnings / Gains assujettis d'AE 24
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres majuscules) / First name – Prénom / Initials – Initiales Kim Smith 45 Vancouver St. Ajax ON L4T 5Y2		Employment code / Code d'emploi 29	Employee's CPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308 17	CPP-QPP pensionable earnings / Gains ouvrant droit à pension – RPC-RRQ 26
			Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312 18 456 12	Union dues – line 212 / Cotisations syndicales – ligne 212 44
			RPP contributions – line 207 / Cotisations à un RPA – ligne 207 20	Charitable donations – Schedule 1 / Dons de bienfaisance – Annexe 1 46 100 00
			Pension adjustment – line 208 / Facteur d'équivalence – ligne 208 52	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDS 50
Other information (see the back) / Autres renseignements (voir au verso) T4 (04)				

- How much is Kim’s income for the year. Box 14
- How much did she have deducted for income tax? Box 22
- How much did she have deducted for CPP? Box 16
- How much did she have deducted for EI? Box 18
- How much did she have deducted for charitable donations?? Box 46
- How much did she have deducted for R.P.P. contributions? Box 20

4. Michelle has money in a savings account. Here is the T5 slip that Michelle's bank sent her.

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada		Year / Année: 2005		T5 STATEMENT OF INVESTMENT INCOME / ETAT DES REVENUS DE PLACEMENTS	
Dividends from Canadian corporations – Dividendes de sociétés canadiennes		13 Interest from Canadian sources / Intérêts de source canadienne: 134.29	18 Capital gains dividends / Dividendes sur gains en capital		
10 Actual amount of dividends / Montant réel des dividendes	11 Taxable amount of dividends / Montant imposable des dividendes	12 Federal dividend tax credit / Crédit d'impôt fédéral pour dividendes			
Other information (see the back) / Autres renseignements (voir au verso)		21 Report code / Code du feuillet	22 Recipient identification number / Numéro d'identification du bénéficiaire: 344523445	23 Recipient type / Type de bénéficiaire	
Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant
Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire Michelle Sears 635 Harmony Rd. Oshawa ON V3T 5P2			Payer's name and address – Nom et adresse du payeur CIBC 31 King St. W Oshawa ON K9J 5R2		
Currency and identification codes / Codes de devise et d'identification		27 Foreign currency / Devises étrangères	28 Transit – Succursale	29 Recipient account / Numéro de compte du bénéficiaire	

T5 (04) For information, see the back. / Pour obtenir des renseignements, lisez le verso. 3636

How much interest did Michelle earn at the CIBC?



Key Question #5

1. Why do you think employers are required by law to complete T4 slips and give copies to the employee and government?
2. Where would you get receipts for expenses like child-care and medical expenses?
3. Name two places that can do your taxes for you for a price.

4. Amber works full time at Benny’s Deli. Here is the T4 slip that her employer sent her.

Employer's name – Nom de l'employeur Benny's Deli 23 Latimer St. Oshawa ON L4R 3T6		Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada T4 STATEMENT OF REMUNERATION PAID / ETAT DE LA REMUNERATION PAYÉE			
Business Number / Numéro d'entreprise 54 12356342323		Year / Année 2005	Employment income – line 101 / Revenus d'emploi – ligne 101 14 18 654 46	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437 22 3 456 12	
Social insurance number / Numéro d'assurance sociale 12 012 012 312		Exempt – Exemption CPP - CPP <input checked="" type="checkbox"/> EI <input checked="" type="checkbox"/> RPP - RPP <input type="checkbox"/> AE <input type="checkbox"/>	Province of employment / Province d'emploi 10 ON	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308 16 617 78	EI insurable earnings / Gains assurables d'IAE 24
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres majuscules) First name – Prénom Initials – Initiales Amber Baker 1236 Brock St. Pickering ON L3R 4T4		Employment code / Code d'emploi 29	Employee's CPP contributions – line 308 / Cotisations de l'employé au RRCQ – ligne 308 17	CPP-OPP pensionable earnings / Gains ouvrant droit à pension – RPP-RRCQ 26	
			Employee's EI premiums – line 312 / Cotisations de l'employé à l'IAE – ligne 312 18 471 36	Union dues – line 212 / Cotisations syndicales – ligne 212 44	
			RPP contributions – line 207 / Cotisations à un RPA – ligne 207 20 512 45	Charitable donations – Schedule 1 / Dons de bienfaisance – Annexe 1 46	
			Pension adjustment – line 206 / Facteur d'équivalence – ligne 206 52	RPP or DPSP registration number / N° d'accréditation d'un RPA ou d'un RPDS 50	
Other information (see the back) / Autres renseignements (voir au verso) Box – Case Amount – Montant Box – Case Amount – Montant T4 (04)					

- How much is Amber’s income for the year. Box 14
- How much did she have deducted for income tax? Box 22
- How much did she have deducted for CPP? Box 16
- How much did she have deducted for EI? Box 18
- How much did she have deducted for charitable donations?? Box 46
- How much did she have deducted for R.P.P. contributions? Box 20

5. Pearl has money in a savings account. Here is the T5 slip that Pearl's bank sent her.

Canada Customs and Revenue Agency		Agence des douanes et du revenu du Canada		Year / Année: 2005		T5 STATEMENT OF INVESTMENT INCOME / ÉTAT DES REVENUS DE PLACEMENTS	
Dividends from Canadian corporations – Dividendes de sociétés canadiennes			13 Interest from Canadian sources / Intérêts de source canadienne: 218.28		18 Capital gains dividends / Dividendes sur gains en capital		
10 Actual amount of dividends / Montant réel des dividendes	11 Taxable amount of dividends / Montant imposable des dividendes	12 Federal dividend tax credit / Crédit d'impôt fédéral par dividende			21 Report code / Code du feuillet		22 Recipient identification number / Numéro d'identification du bénéficiaire: 332453242
Other information (see the back) / Autres renseignements (voir au verso)				23 Recipient type / Type de bénéficiaire			
Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire				Payer's name and address – Nom et adresse du payeur			
Pearl Nelson 41236 Old Simcoe Rd. Port Perry ON L5Y 2W3				Royal Bank 14 King St. W. Oshawa ON L5T 3E4			
Currency and identification codes / Codes de devise et d'identification		27 Foreign currency / Devises étrangères	28 Transit – Succursale	29 Recipient account / Numéro de compte du bénéficiaire		For information, see the back. / Pour obtenir des renseignements, lisez le verso. 3636	

How much interest did Pearl earn at the Royal Bank?

6. Where does a taxpayer get each of the following:

- T1 General Form
- T4 information slip
- T5 information slip
- Receipts to be used for tax deductions
- Schedule 1 and ON428