

Money Matters

for People with Diverse Abilities

Workbook 5 Understanding your paycheque





Welcome to *Money Matters!*

We designed *Money Matters* to help you take better care of yourself by taking better care of your money.

When you feel good about your money management, you're less stressed. You have more energy for the things that are important to you.

What will you learn?

In today's workshop, you will learn:

- ✓ **How to understand your paycheck and pay stub**
- ✓ **Why money comes out of your paycheck**
- ✓ **How to tell how much money comes out of your paycheck**





Thinking about paycheques

A paycheque is the money your work pays you to do your job. When your work pays you, they usually give you two things:

- A **cheque**
- A **pay stub**



Did you know?

Sometimes your work will put your money directly into your bank account. In this case, they'll give you a **pay stub**, but no **cheque**. When your work puts money directly into your account, it's called **direct deposit**.



Let's look at a paycheque and a **pay stub**. They can be hard to understand, but don't worry! We're going to talk about how to read them.




Money words

A **cheque** is a special piece of paper that pays someone directly from a bank account.

A **pay stub** is a piece of paper that comes with your paycheque. It tells you how much money you earned at work, and how much money came out of your paycheque.

Direct deposit is what happens when your work puts money directly into your bank account. If your work uses direct deposit, you get a pay stub, but no cheque.

This is a **paycheque**:

Book World, Inc P.O. Box 3750 Foam Lake, SK S1S 1S1		Date: <u>March 18, 2020</u>
Pay to the order of Sandy Chayka		\$ 622.98
Six hundred twenty-two dollars and ninety-eight cents		
For: <u>55 hours</u>		

And this is a **pay stub**:

Book World, Inc P.O. Box 3750 Foam Lake, SK S1S 1S1				Employee Name: Sandy Chayka Pay Period Start: March 4, 2020 Pay Period End: March 18, 2020 Pay date: March 18, 2020 Net pay YTD: \$3,041.38		Gross pay: \$770.00 Deductions: (\$147.02) Net pay: \$622.98	
---	--	--	--	--	--	---	--

Earnings				Deductions		
Hours	Rate	Gross pay	Gross pay YTD	Type	Amount	YTD
55	\$14.00	\$770.00	\$3,850.00	Tax	\$101.49	\$558.20
				CPP	\$33.36	\$183.48
				EI	\$12.17	\$66.94
				Total Deductions	\$147.02	\$808.62

Have you seen a **pay stub** like this before?

Meet Sandy

Sandy has a job at a store that sells books. She works hard, and she really likes her job.

Sandy's manager gives her an envelope. "Great work, Sandy," says the manager. "Here is your paycheque."

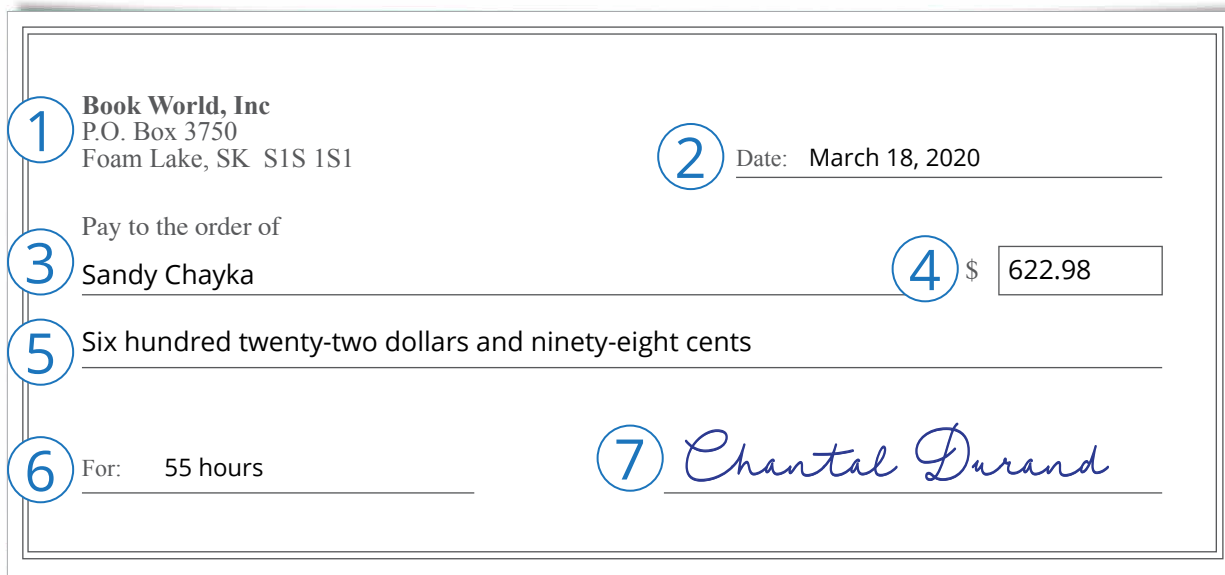
Sandy doesn't know how to read a **cheque** yet. She opens her paycheque and says, "I wonder how much money I got."

Let's help Sandy read her paycheque.



Reading a cheque

Here are the different parts of a **cheque**. The big blue numbers on the **cheque** show you where each part is.



① Book World, Inc
P.O. Box 3750
Foam Lake, SK S1S 1S1

② Date: March 18, 2020

③ Pay to the order of
Sandy Chayka

④ \$ 622.98

⑤ Six hundred twenty-two dollars and ninety-eight cents

⑥ For: 55 hours

⑦ Chantal Durand

- ① **Who is this cheque from?** This is the name of the person or company paying you. Usually, you'll see the name of the company you work for.
On this cheque: Book World, Inc.
- ② **What is the date on the cheque?** This is the date when the company wrote your **cheque**. **On this cheque:** March 18, 2020
- ③ **Who is the cheque for?** If the **cheque** is for you, you will see your name here. **On this cheque:** Sandy Chayka
- ④ **How much is the cheque paying (in numbers)?** This is the amount that you're getting paid, written in numbers. **On this cheque:** 622.98
- ⑤ **How much is the cheque paying (in words)?** This is the amount that you're getting paid, written in words.
On this cheque: Six hundred twenty-two dollars and ninety-eight cents
- ⑥ **What is the cheque paying for?** This note says what you're getting paid for. Sometimes this part is blank. **On this cheque:** 55 hours
- ⑦ **Did someone sign the cheque?** The person who writes your **cheque** has to sign it here. If they don't sign it, your **cheque** isn't complete and the bank won't accept it. **On this cheque:** Yes, Chantal Durand



Let's practice

Let's practice reading a **cheque**. Can you find the answers to the questions below?

Kathy's Place, Inc. P.O. Box 1200 Ingonish, NS B0B 0B0		Date: December 2, 2019
Pay to the order of Luis Rodriguez		\$ 246.34
Two hundred forty-six dollars and thirty-four cents		
For: 17 hours	<i>David Pierce</i>	

Who is the **cheque** for?

How much is the **cheque** paying (in numbers)?

Did someone sign the **cheque**?



Let's read another **cheque**. Can you find the answers to the questions below?

Jerry's Diner 386 Main St. Hay River, NT X0E 4M3		Date: <u>August 18, 2019</u>
Pay to the order of Denise Dubois		\$ 312.10
Three hundred twelve dollars and ten cents		
For: <u>20 hours</u>	<u>ALIYA KHAN</u>	

What is the date on the **cheque**?

Who is the **cheque** for?

How much is the **cheque** paying (in words)?



Depositing a cheque

When you get a **cheque**, you can't spend the money right away. First, you need to **deposit** your **cheque**.

Here are some ways to **deposit** your **cheque** into your bank account:

- **Deposit** your **cheque** at an Automated Teller Machine (ATM)
- Visit your bank and ask a **customer service representative** to **deposit** your **cheque**



Money words

Deposit means to put money into a bank account.

An **ATM** is a machine that provides cash from your own bank account. It lets you withdraw and deposit money using your debit card and a PIN (personal identification number).

A **customer service representative** is a bank worker who answers your banking questions and helps you deposit and withdraw money.

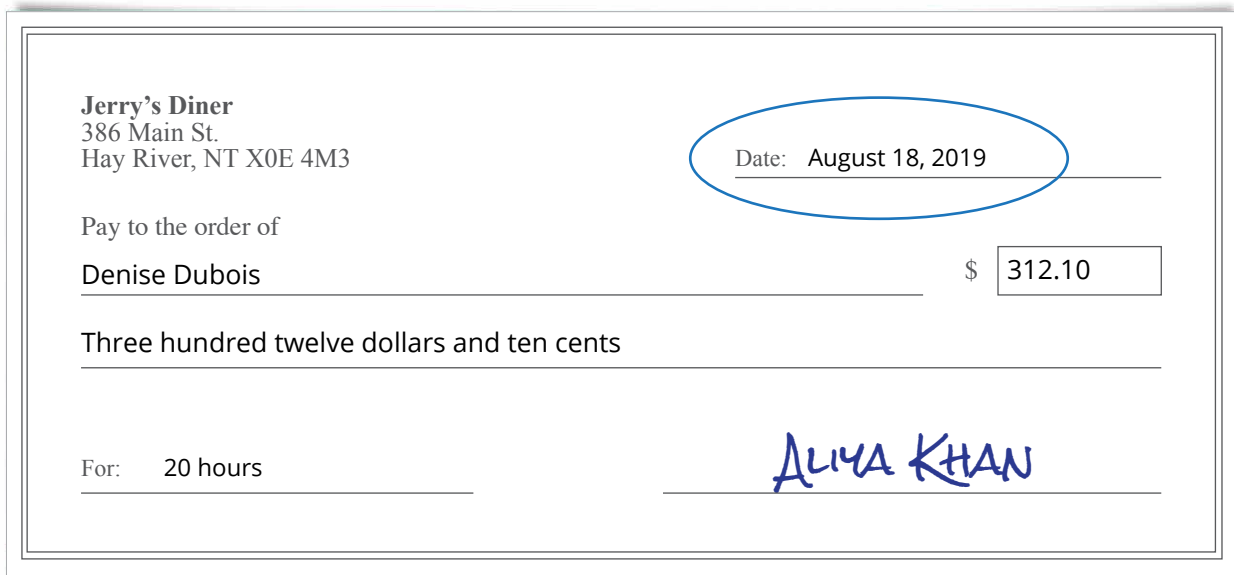
Withdraw means to take money out of a bank account.



Let's talk about it:

Have you ever **deposited** a **cheque** into your bank account?
How did you do it?

When you want to **deposit** a **cheque**, look at the date in the top right corner. You can't **deposit** your **cheque** until that date.



Jerry's Diner
386 Main St.
Hay River, NT X0E 4M3

Date: August 18, 2019

Pay to the order of
Denise Dubois

\$ 312.10

Three hundred twelve dollars and ten cents

For: 20 hours

ALIYA KHAN



Your bank account is the safest place for your money. When you carry **cash** around, it might get lost or stolen. If you want to get **cash** when you **deposit** your paycheque, try to take out only as much **cash** as you need.

Money words



Cash is paper money and coins.



Activity

Word hunt: Reading your pay stub

Let's start by finding some words on the **pay stub**.

You can work with a partner to find the answers.

Can you circle these words on the **pay stub**?

- **Gross pay** (**Hint**: it's on there three times!)
- **Tax**
- **CPP**
- **Pay Period** (**Hint**: it's on there two times!)

Book World, Inc P.O. Box 3750 Foam Lake, SK S1S 1S1				Employee Name: Sandy Chayka Pay Period Start: March 4, 2020 Pay Period End: March 18, 2020 Pay date: March 18, 2020 Net pay YTD: \$3,041.38		Gross pay: \$770.00 Deductions: (\$147.02) Net pay: \$622.98	
Earnings				Deductions			
Hours	Rate	Gross pay	Gross pay YTD	Type	Amount	YTD	
55	\$14.00	\$770.00	\$3,850.00	Tax	\$101.49	\$558.20	
				CPP	\$33.36	\$183.48	
				EI	\$12.17	\$66.94	
				Total Deductions	\$147.02	\$808.62	

Money word



Pay period means the days of work included in your paycheque. If your work's pay period is two weeks long, your paycheque will pay you for all the time you worked during those two weeks.



Not all **pay stubs** look the same. If your **pay stub** looks different than this one, try to find the words we're learning on your **pay stub**. You can ask a caregiver or your supervisor at work to help you.



How to read your pay stub

Your **pay stub** tells you three important things:

- **Gross pay**
- **Deductions**
- **Net pay**

Book World, Inc P.O. Box 3750 Foam Lake, SK S1S 1S1				Employee Name: Sandy Chayka Pay Period Start: March 4, 2020 Pay Period End: March 18, 2020 Pay date: March 18, 2020 Net pay YTD: \$3,041.38		Gross pay: \$770.00 Deductions: (\$147.02) Net pay: \$622.98
Earnings				Deductions		
Hours	Rate	Gross pay	Gross pay YTD	Type	Amount	YTD
55	\$14.00	\$770.00	\$3,850.00	Tax	\$101.49	\$558.20
				CPP	\$33.36	\$183.48
				EI	\$12.17	\$66.94
				Total Deductions	\$147.02	\$808.62

Money words



YTD is short for “year-to-date.” YTD means you count everything from the start of the year until your work wrote the cheque.

Gross pay is the all the money you earned in this pay period, without deductions.

Gross pay YTD means all the money you have earned since the start of the year.

A **deduction** is money that comes out of your paycheque for taxes and other things. We’ll learn more about deductions on the next page.

Net pay is the money you get after deductions come out of your gross pay. Some people call net pay their “take home” pay.

Net pay YTD is all the money you have taken home since the start of the year, after deductions came out of your paycheque.



You can figure out your **net pay** like this:

Gross pay – deductions = net pay

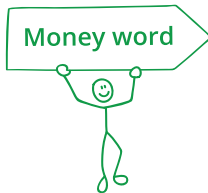


Deductions

Sandy can read her paycheque now, but she's surprised! Sandy thought she was earning more money.

"Where did my money go?" Sandy wonders.

Sandy reads her **pay stub**, and sees that some of her money went to **deductions**.



A **deduction** is something that's taken away. When you look at your pay stub, a deduction is the money that's taken away from your gross pay. Another word for deduction is subtraction.



What are deductions for?

Deductions		
Type	Amount	YTD
Tax	\$101.49	\$558.20
CPP	\$33.36	\$183.48
EI	\$12.17	\$66.94
Total Deductions	\$147.02	\$808.62

Tax

Every Canadian pays money to the government when they earn a paycheque. This payment is called “income **tax**.” Your income **tax** depends on how much money you make.

Why?

Taxes help the government pay for important services like schools and hospitals.

CPP

CPP is short for Canada Pension Plan. Every Canadian who lives outside of Quebec pays money to the **CPP** when they earn a paycheque.

Why?

If you retire after you’re 60 years old and you have paid **CPP** deductions from your paycheque, the **CPP** will pay you some money every month.

If you live in Quebec, your money goes into the Quebec Pension Plan, or QPP. The QPP is just like the **CPP**, but it’s just for people who live in Quebec.

EI

EI is short for Employment Insurance. Every Canadian pays money to **EI** when they earn a paycheque.

Why?

If you lose your job, **EI** might pay you some money while you look for a new job.



Let's practice

Can you help Sandy read her **pay stub** now? Try to answer these questions.

Book World, Inc P.O. Box 3750 Foam Lake, SK S1S 1S1				Employee Name: Sandy Chayka Pay Period Start: March 4, 2020 Pay Period End: March 18, 2020 Pay date: March 18, 2020 Net pay YTD: \$3,041.38		Gross pay: \$770.00 Deductions: (\$147.02) Net pay: \$622.98	
Earnings				Deductions			
Hours	Rate	Gross pay	Gross pay YTD	Type	Amount	YTD	
55	\$14.00	\$770.00	\$3,850.00	Tax	\$101.49	\$558.20	
				CPP	\$33.36	\$183.48	
				EI	\$12.17	\$66.94	
				Total Deductions	\$147.02	\$808.62	

How much is Sandy's **tax deduction** for this **pay period**?

How many **hours** did Sandy work in this **pay period**?

How much is Sandy's **net pay** for this **pay period**?

Great job! Now see if you can read another **pay stub**.



Let's practice

Joe’s Computers 147 Front St. Lakeview, ON N3R 2P5				Employee Name: Jesse Miller Pay Period Start: June 12, 2019 Pay Period End: June 26, 2019 Pay date: June 27, 2019 Net pay YTD: : \$3,729.48		Gross pay: \$400.00 Deductions: (\$89.21) Net pay: \$310.79	
Earnings				Deductions			
Hours	Rate	Gross pay	Gross pay YTD	Type	Amount	YTD	
25	\$16.00	\$400.00	\$4,800.00	Tax	\$68.96	\$827.52	
				CPP	\$13.93	\$167.16	
				EI	\$6.32	\$75.84	
				Total Deductions	\$89.21	\$1,070.52	

When does the **pay period** start and end?

Start: _____

End: _____

How much are Jesse's **total deductions** for this **pay period**?

How much is Jesse's **gross pay YTD**?



Understanding your paycheque

What we learned today

Today we learned about:

- How to understand your paycheque and **pay stub**
- Why money comes out of your paycheque
- How to tell how much money comes out of your paycheque



Remember

Your **pay stub** might look different than the ones in this workbook. If you have trouble understanding your **pay stub**, ask your supervisor or someone you trust to help.

Practice at home

Do you have a **pay stub** from your work? Try to find the answers to these questions on your own **pay stub**:









How much is your **net pay** in this **pay period**?










How much is your **gross pay** in this **pay period**?

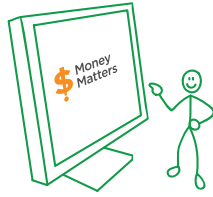
How much did you pay to **EI** in this **pay period**?

Key words



ATM	Short for “Automated Teller Machine.” A machine that provides cash from your own bank account. It also lets you withdraw and deposit money using your debit card and a PIN (personal identification number)	
Cash	Paper money and coins	
Cheque	A special piece of paper that pays someone from a bank account	
CPP	Short for “Canada Pension Plan.” Every Canadian who lives outside of Quebec pays money to the CPP when they earn a paycheck. If you retire after you’re 60 years old, the CPP will pay you some money every month	
Customer service representative	A bank worker who will answer your banking questions and help you deposit and withdraw money	
Deduction	Something that’s taken away. When you look at your pay stub, a deduction is the money that’s taken away from your gross pay	
Deposit	To put money into a bank account	
EI	Short for “Employment Insurance.” Every Canadian pays money to EI when they earn a paycheck. If you lose your job, EI might pay you some money while you look for a new job	

Gross pay	All the money you earned in this pay period, without deductions	
Gross pay YTD	All the money you have earned since the start of the year, without deductions	
Net pay	The money you take home after deductions come out of your gross pay Net pay = gross pay – deductions	
Net pay YTD	All the money you have taken home since the start of the year, after deductions came out of your paycheque	
Pay period	The days of work included in your paycheque. If your work's pay period is two weeks long, your paycheque pays you for all the time you worked during those two weeks	
Pay stub	A piece of paper that comes with your paycheque. It tells you how much money you earned at work, and how much money came out of your paycheque	
Tax	Every Canadian pays money to the government when they earn a paycheque. This payment is called “income tax.” Taxes help the government pay for important services like schools and hospitals	
Withdraw	To take money out of a bank account	
YTD	Short for “year to date.” YTD means you count everything from the start of the year until your work wrote the cheque	



Learning more

The Financial Consumer Agency of Canada has information on understanding your **pay stub**, including a sample paycheck and **pay stub**.

<https://www.canada.ca/en/financial-consumer-agency/services/financial-toolkit/income-expenses-budget/income-expenses-budget-2/2.htm>

The Ontario Securities Commission has information on **CPP** and **EI**, plus other **deductions** you might see on your pay stub.

<https://www.getsmarteraboutmoney.ca/plan-manage/planning-basics/understanding-tax/understanding-the-tax-deductions-on-your-pay-stub/>

ABC Life Literacy Canada has online resources to help you learn more about money management.

<https://abcmoneymatters.ca/about/#mmpwda>

Thank you for participating in
Money Matters for People with Diverse Abilities!