

10-12 – Extension Activity for *Tax Tips*

Specific Outcome(s)

- Career and Life Management
 - R1. Identify personal resources and explain how they could be of value to self and others
 - Examine the fundamentals of getting and using money – basic information on getting an income, deductions, paying taxes, using money for various expenses

At the end of this extension activity, students will be able to identify the following parts of a sample paystub and what information they provide:

- | | |
|------------------------|-----------------------|
| • Employer information | • Gross pay |
| • Employee information | • Deductions |
| • Pay period | • Year-to-date amount |
| • Pay date | • Net pay |

Materials Provided

- Paystub Identification handout

Logistics

- Photocopy the Paystub Identification handout 😊
 - Print enough copies for each student.

Procedure

- Briefly review the definitions for
 - Pay period: The time period the paystub covers.
 - Gross pay: Pay earned before deductions.
 - Deductions: Amounts deducted from gross pay.
 - Net pay: Pay earned after deductions. This is the amount paid to you.
 - Year-to-date (YTD) amount: Total income and deduction amounts from all pay periods in the current year.
 - Employment Insurance (EI): If you go on maternity or parental leave or you are laid off by your employer, the EI cheques you may receive while you are off work will be partly funded by the EI premiums you paid. Employers make matching contributions to EI on your behalf.
 - Canada Pension Plan (CPP): You will receive pension payments when you retire because you contributed to the CPP. Employers make matching contributions to the CPP on your behalf. You do not have to contribute to the CPP if you are under the age of 18.

- Income tax: Individuals and businesses pay taxes on their income. This is called income tax (and it's the most common tax we pay).
- Have students look at the provided paystub. Ask them the following questions:
 - "Who has received a paystub? Does this paystub look different than the paystub you received?"
 - "What do you notice about this paystub?"
 - "What information does this paystub show?"
- After discussion, give students time to answer the questions on the handout.
 - Circulate the classroom and help students as needed.
- When ready, provide students with an opportunity to share their answers (either in partners, small groups, or as a class). Alternatively, collect their work as a formative or a summative assessment.
- Thank students for their hard work.



STATEMENT OF EARNINGS

PAY PERIOD ENDING: 15-Feb-2023
 DEPOSIT DATE: 15-Feb-2023
 EMPLOYEE:
 LOCATION:
 DEPOSITED TO ACCOUNT(S):

2,012.79

TOTAL DEPOSIT: 2,012.79

EARNINGS					
Code	Units	Unit Type	Rate	Amount	YTD Amount
001 REGULR				2,653.25	7,959.75
TOTAL EARNINGS				2,653.25	7,959.75

DEDUCTIONS					
Code	Amount	YTD Amount	Code	Amount	YTD Amount
501 CPP	149.19	447.57			
511 EI	43.25	129.75			
521 TAX	448.02	1,344.06			
TOTAL DEDUCTIONS				640.46	1,921.38

Paystub Identification

What is this person's gross pay for this pay period?

How much money was deducted from this person's paycheque for this pay period?

What is this person's net pay for this pay period?

How much has this person earned so far this year?

- Gross: _____
- Net: _____

What do the following acronyms stand for?

- CPP: _____
- EI: _____
- YTD: _____

How much was deducted from this person's paycheque for this pay period?

- CPP: _____
- EI: _____
- Income tax: _____

True or false: Your employer makes contributions to CPP and EI on your behalf.

/12

Paystub Identification

What is this person's gross pay for this pay period? *(1 mark)*

\$2,653.25

How much money was deducted from this person's paycheque for this pay period? *(1 mark)*

\$640.46

What is this person's net pay for this pay period? *(1 mark)*

\$2,012.79

How much has this person earned so far this year? *(2 marks)*

- Gross: \$7,959.75
- Net: \$6,038.37

What do the following acronyms stand for? *(3 marks)*

- CPP: Canada Pension Plan
- EI: Employment Insurance
- YTD: Year-to-date

How much was deducted from this person's paycheque for this pay period? *(3 marks)*

- CPP: \$149.19
- EI: \$43.25
- Income tax: \$448.02

True or false: Your employer makes contributions to CPP and EI on your behalf. *(1 mark)*

True