



Calculate the annual CPP contribution for the following employees:

a) Sheila, who has an annual salary of \$29 500.

$$\text{CPP} = 4.95\% \text{ of } (29\,500 - 3\,500)$$

$$(0.0495)(26\,000) = \boxed{\$1\,287.00}$$

\$3 500 is subtracted b/c the government only collects CPP on amounts between \$3 500 and \$55 900. An individual will only be taxed on the remaining amount.

b) A student who works part-time for 15 weeks, earning \$175 per week.

↳ calculate the total earnings.

$$(\text{weeks})(\text{wage}) = (15)(175) = \$2\,625$$

→ The student does not make enough money for the government to collect CPP, (needs to be  $\geq 3\,500$ ) so CPP =  $\boxed{\emptyset}$

c) A civil servant who earns \$5 760 per month.

$$\text{Annual income} = (5\,760)(12) = \$69\,120$$

$$\text{CPP} = 4.95\% \text{ of } (69\,120 - 3\,500)$$

$$= (0.0495)(65\,620) = \boxed{\$3\,248.19}$$

d) A service manager who earns \$37 600 per year.

$$\text{CPP} = 4.95\% \text{ of } (37\,600 - 3\,500)$$

$$= (0.0495)(34\,100) = \boxed{\$1\,687.95}$$

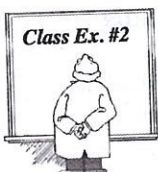


The maximum CPP contribution for the year 2018 is  $\boxed{\$2\,593.80}$ .  
 ↳ Since the Government will only collect CPP between \$3 500 and \$55 900 then the max CPP contributed will be calculated on the 55 900.

$$\text{CPP} = 4.95\% \text{ of } (55\,900 - 3\,500)$$

$$= (0.0495)(52\,400)$$

$$= \$2\,593.80$$



Calculate the annual EI Premium for the following employees:

a) Ranjit who earns \$35 236 per year.

$$\text{EI} = 1.66\% \text{ of } \$35\,236$$

$$(0.0166)(35\,236) = \boxed{\$584.92}$$

b) A technician with a gross monthly salary of \$4 025.

$$\text{Annual income} = (4\,025)(12) = \$48\,300$$

$$\text{EI} = 1.66\% \text{ of } 48\,300 = (0.0166)(48\,300) = \boxed{\$801.78}$$



The maximum EI Premiums for the year 2018 is  $\boxed{\$858.22}$ .

↳ The Government collects EI from the employee at a rate of 1.66% of the employee's gross yearly income up to \$51 700, so the max contribution is 1.66% of 51 700.

$$\text{EI} = 1.66\% \text{ of } 51\,700$$

$$= (0.0166)(51\,700)$$

$$= \$858.22$$