

Handout 5-1

Pay Stub

COMPANY NAME					CHEQUE NO. 00000000		
NAME – EMPLOYEE NUMBER			FOR PAY PERIOD MM/DD/YY – MM/DD/YY				
DESCRIPTION	QUANTITY	RATE	CURRENT	YEAR TO DATE	DESCRIPTION	CURRENT	YEAR TO DATE
EARNINGS & HOURS					DEDUCTIONS		
HOURLY	35	\$ 12.00	\$ 420.00	\$ 1,680.00	INCOME TAX	\$ -50.40	\$ -201.60
VACATION PAY AT 4%			\$ 16.80	\$ 67.20	CANADA PENSION PLAN	\$ -21.62	\$ -86.48
					EMPLOYMENT INSURANCE	\$ -7.56	\$ -30.24
					TOTAL	\$ -79.58	\$ -318.32
					SUMMARY		
					EARNINGS	\$ 420.40	\$ 1,680.00
					VACATION PAY	\$ 16.80	\$ 67.20
					DEDUCTIONS	\$ -79.58	\$ -318.32
					NET PAY	\$ 357.22	\$ 1,428.88

- **Earnings:** type of earnings (regular, overtime, etc.), hours or days worked, amount earned in a current period and year-to-date (YTD).
- **Deductions:** automatic payments your employer makes on your behalf to government and other organizations to pay for services and other benefits. Includes income tax, employment insurance (EI) and Canada Pension Plan (CPP). May also include union dues, medical plan and extended medical coverage, life and disability insurance, savings plans, etc.
- **Vacation pay:** employers must provide employees with an additional four per cent of their wages for vacation pay each year (six per cent after five years).
 - *For full-time employees, that works out to two (or three) weeks of paid vacation per year.*
 - *For casual or part-time employees, the vacation pay is usually added to each cheque instead.*
- **Income tax:** a percentage of income deducted to pay for federal, provincial and territorial government services.
 - *For details, go to the Canada Revenue Agency website (www.cra.gc.ca).*
- **Canada Pension Plan (CPP):** a percentage of income paid by employees and employers to provide income when workers retire or become disabled.
 - *For details, go to the Service Canada website (www.servicecanada.gc.ca).*
- **Employment Insurance (EI):** a percentage of income paid by employees and employers to provide temporary payments for unemployed workers.
 - *For details, go to the Service Canada website (www.servicecanada.gc.ca).*