

## Calculating Net Income

Sam is paid biweekly and his annual salary is \$55 000. His deductions per pay cheque are dental, \$23.50, health, 20.99, union dues, \$9.50, and pension \$35.00. Claim code 1.

Gross Income	\$ 2115.38
Union Dues	- 9.50
Pension	- 35.00
Taxable Income	2070.88
Federal Taxes	- 245.85
Provincial Taxes	- 181.25
C.P.P.	- 98.05
E.I	- 39.77
Other deductions	- 44.49
Net Income	\$ 1461.47

$\frac{55,000}{26}$

Canada Pension (C.P.P)

- exemption of \$3500  
4.95% } set values

$$\frac{3500}{26} = 134.62$$

$$2115.38 - 134.62 = 1980.76$$

$$(1980.76)(0.0495) = \$98.05$$

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Employment Insurance (E.I.)

→ 1.88% } set value

$$(2115.38)(0.0188) = \$39.77$$