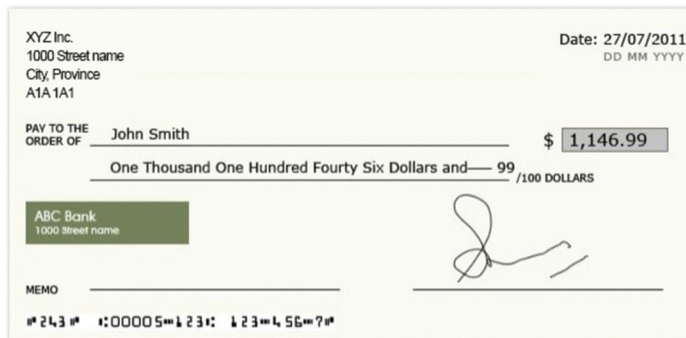


### 1.2.3 Understanding your pay stub

For most of us, our main source of income is our job. Most people get paid through a biweekly or semi-monthly paycheque. But you may get paid irregularly if you do contract, consulting or seasonal work, or odd jobs.

Below is a sample paycheque and pay stub. This is for a person who gets paid an hourly wage of \$17. (Note that in Quebec, paycheques also include deductions for provincial taxes.)



XYZ Inc.  
1000 Street name  
City, Province  
A1A 1A1

Date: 27/07/2011  
DD MM YYYY

PAY TO THE ORDER OF: John Smith \$ 1,146.99

One Thousand One Hundred Forty Six Dollars and 99 /100 DOLLARS

ABC Bank  
1000 Street name

MEMO

⑆ 243 ⑆ ⑆ 00005 ⑆ 23 ⑆ 12345678 ⑆

Sample pay stub

Earnings	Rate	Hours	Earnings this period	Year to date <sup>1</sup>
Regular <sup>2</sup>	17.00	84	1,428.00	8,845.95
Deductions				
	Income tax	- 184.90		1,105.99
	EI <sup>3</sup>	- 25.42		159.02
	CPP/QPP <sup>4</sup>	- 70.69		404.49
	Other <sup>5</sup>			
Full deposit			1,146.99	
Net pay <sup>6</sup>			\$1,146.99	

<sup>1</sup> **Year to date:** The total amount of pay and deductions from the beginning of the year through the current pay period.

<sup>2</sup> **Gross income:** The total amount of pay before any deductions are taken out

<sup>3</sup> **Employment insurance (EI):** A percentage of gross income paid by employees and employers to provide temporary payments if workers become unemployed. Self-employed can access EI special benefits. For more information visit Service Canada website, Employment Insurance Special Benefits for Self-Employed People.

<sup>4</sup> **Canada Pension Plan (CPP)/Quebec Pension Plan (QPP):** A percentage of gross income paid by employees and employers to provide income when workers retire or become disabled, or for survivor benefits. The employee contribution is 4.95 per cent, and the combined contribution from both sources is 9.9 per cent of your gross income.

<sup>5</sup> **Other:** Other deductions may include private pension plans, health insurance premiums, union dues and professional fees, transfers to your registered savings plans and charitable donations.

<sup>6</sup> **Net pay:** The amount of pay remaining after deductions are taken out

Your paycheque may show a deduction for vacation pay. This is a portion of your salary (ranging from four to six per cent) that you are entitled to receive as part of your pay. For most full-time employees, this equals two to three weeks of vacation annually with pay. Casual and part-time employees often receive their vacation pay on each paycheque. Employers usually keep vacation pay in a separate fund