

# P2W Skills for Success

## Activity Set 15: Earnings



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## 15.1: Getting Started

### What?

Calculating your earnings helps to work out a realistic budget or a savings plan.



### Why?

To understand how much money you will receive each pay period and over the year

### Who?

- ✓ Job seekers look at salaries and wages in job postings to compare earnings for different positions.
- ✓ Hourly employees estimate how much money they will receive each pay period based on the hours they work.
- ✓ Salaried employees estimate how much money they will make before deductions each pay period by dividing their annual salary by the number of pay periods in a year.

### What's involved?

- Identifying pay rates
- Making calculations
- Reading pay stubs
- Understanding deductions

### How about you?



How comfortable are you using these skills?

I need a lot of practice

I'm very comfortable

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### Let's Talk!

- What do you think these terms mean?
  - Wage
  - Deduction
  - Net pay
  - Salary
  - Probation
  - Gross pay
  - Pay cheque
  - Pay period
  - Vacation pay
  - Overtime
  - Pay stub

## 15.2: Comparing Wages

Compare the three job ads, then complete the activities below.

A	B	C
Busy medical office seeks a part-time administrative assistant to work 24 hours per week. Starting wage is \$25.90 per hour.	Friendly receptionist needed. 35 hours per week at \$21.75 per hour.	Full-time office clerk wanted. \$18 per hour for 37.5-hour work week. Benefits provided after three-month probation.

1. Which job pays more per hour?

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2. Which job offers the most hours per week?

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3. Without making calculations, which position do you think earns more annually?

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4. Complete the table to compare the earnings of the three positions.

	Hourly Wage	Hours per week	Earnings per week (before deductions)	Earnings per year (based on 52 weeks, before deductions)
A				
B				
C				

### Let's Talk!

- Gross pay refers to what you earn before any deductions. What type of deductions might you expect to pay?
- Apart from pay, what are other considerations when comparing job options?
- Which job would you prefer? Why?

## 15.3: Overtime



# Tamarack Inc.

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### **Overtime and Time Off in Lieu**

Tamarack Inc. does not pay overtime hours to salaried staff except in extraordinary circumstances. Instead, employees shall be granted time off in lieu of pay.

Lieu time shall be granted on an hour-for-hour basis for all hours worked in one week in excess of 40 hours. Lieu time shall be granted at a rate of 1.5 (one and a half) hours of time off for every hour worked in one week in excess of 44 hours.

Staff should take lieu time as soon as they are able. No more than 40 hours of lieu time may be accumulated, except with the approval of a manager.

Employees must have a manager's approval prior to these situations:

- Working more than 44 hours in one week
- Taking lieu time

## 15.3: Overtime

### PART 1

1. Circle or highlight these terms in the company message about overtime. Then try to figure out what each one means by the way it is used in the sentence or paragraph.

Term	I think this means...
a) in lieu	
b) salaried	
c) granted	
d) in excess of	
e) accumulated	

### Let's Talk!

Some companies pay overtime instead of giving employees time off in lieu of overtime hours worked. Overtime is usually paid at a higher rate than regular hours.

- Which would you prefer: time off in lieu of overtime hours worked or overtime pay? Why?

## 15.3: Overtime

### PART 2

1. What should Tamarack Inc. employees do if they think they will need to work more than 44 hours in a given week?

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2. Margaret worked 41 hours last week. Based on the Tamarack Inc. policy, how many hours of time off did she earn?

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3. Anthony worked 47 hours last week. Use the Tamarack Inc. policy to make the calculations below.

a) How many hours did he work for which he will earn lieu time on an hour-for-hour basis?	
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b) How many hours did he work for which he will earn lieu time at a rate of 1.5?	
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c) Calculate how many hours of lieu time Anthony earned last week.	
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4. Right Build pays employees time and a half when employees work more than 44 hours in a week.

a) Paul earns \$18.00 per hour. What is his overtime rate?	
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b) Paul worked 48 hours last week. Calculate how much he earned before deductions.	
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c) Carrie earns \$20.50 per hour. What is her overtime rate?	
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d) Carrie worked 46 hours last week. Calculate how much she earned before deductions.	
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# 15.4: Pay Stub



NAME			PAYROLL PERIOD			
Tina Raymond			15-Feb to 21-Feb			
CHEQUE No. 8650			AMOUNT \$846.84			
EARNINGS			DEDUCTIONS			
Description	Hours	Amount	Tax	Current	YTD	
Regular	40	960.00	Income	179.76	1231.20	
Overtime	4	144.00	EI	15.56	109.44	
			CPP	61.84	369.35	
GROSS		1104.00	TOTAL DED	257.16		
YTD		6840.20				

## 15.4: Pay Stub

Read the pay stub, then answer the questions below.

1. What is the name of Tina's employer?

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2. What is the last day of the pay period?

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3. How much did Tina earn this pay period before deductions?

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4. Write the meaning of the following abbreviations:

a) YTD

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b) EI

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a) CPP

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5. How much CPP did Tina contribute in this pay period?

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6. How much income tax has Tina paid so far this year?

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7. Calculate Tina's regular hourly rate.

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8. Calculate Tina's overtime hourly rate.

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## 15.5: Promotion

Read about Derek, then answer the questions below.



### Derek at Work

Derek has been working for Right Build for three years now. He really enjoys his job and gets along well with his co-workers and his supervisors. He's proud to be helping build high-quality homes for community members.

He works full-time (40 hours per week) and earns a salary of \$41,600 per year. He has been offered a promotion. In the new job he will be responsible for supervising a small team and will earn \$300 more every two weeks!

Derek is having a hard time deciding what to do. He could really use the money as he is saving for a new truck. But he's nervous about accepting the new job.

1. What are Derek's gross earnings every two weeks in his current position?

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2. How much will Derek's new annual salary be if he accepts the promotion?

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### Let's Talk!

- If Derek is able to save all the extra money he earns from his promotion over the next year, do you think he will have enough to pay for a new truck? Why or why not?
- What are some advantages and disadvantages of accepting a promotion?
- Why do you think Derek is nervous about accepting the promotion?
- Imagine that Derek is a good friend. What would you say to encourage him to accept the promotion?