

## Payroll Practice Exam Solutions

## A) Gross Salaries Calculations:

Practice Exam - Form A - Gross Salary Calculations.									
<b>Orson Carter</b> (PieceWork + Salary)					<b>Don Key</b> (PieceWork + Salary)				
First 1,000:	1,000	x	0.24	= \$ 240.00	First 1,000:	1,000	x	0.24	= \$ 240.00
Next 1,000:	1,000	x	0.33	= \$ 330.00	Next 1,000:	1,000	x	0.33	= \$ 330.00
Next 500:	500	x	0.41	= \$ 205.00	Next 500:	500	x	0.41	= \$ 205.00
Over 2,500 pieces:	542	x	0.54	= \$ 292.68	Over 2,500 pieces:	488	x	0.54	= \$ 263.52
Base Salary	\$ 625.00	x	1	= \$ 625.00	Base Salary	\$ 615.00	x	1	= \$ 615.00
Gross Pay for	3042 Pieces			<b>\$1,692.68</b>	Gross Pay for	2988 Pieces			<b>\$1,653.52</b>
<b>Mike Lott</b> (PieceWork + Salary)					<b>Hazel Tress</b> (PieceWork + Salary)				
First 1,000:	1,000	x	0.24	= \$ 240.00	First 1,000:	1,000	x	0.24	= \$ 240.00
Next 1,000:	1,000	x	0.33	= \$ 330.00	Next 1,000:	1,000	x	0.33	= \$ 330.00
Next 500:	500	x	0.41	= \$ 205.00	Next 500:	500	x	0.41	= \$ 205.00
Over 2,500 pieces:	501	x	0.54	= \$ 270.54	Over 2,500 pieces:	381	x	0.54	= \$ 205.74
Base Salary	\$ 660.00	x	1.00	= \$ 660.00	Base Salary	\$ 705.00	x	1.00	= \$ 705.00
Gross Pay for	3001 Pieces			<b>\$1,705.54</b>	Gross Pay for	2881 Pieces			<b>\$1,685.74</b>

B) Transfer the **Employees Names, Total Pieces, and Gross Payroll** to the **Piecework Payroll Ledger PDOC & RRSP Specific form** that you will find in the **RRSP Specific Piecework Payroll** tab in this workbook.

## C) RRSPs Calculations visit:

RRSP Calculations			
Employee Name	Gross Pay (Copy from A)	Employer RRSP (2.5%)	Employee RRSP (1.75%)
Orson Carter	\$1,692.68	42.32	29.62
Don Key	\$1,653.52	41.34	28.94
Mike Lott	\$1,705.54	42.64	29.85
Hazel Tress	\$1,685.74	42.14	29.5
<b>Totals</b>	<b>\$6,737.48</b>	<b>\$168.44</b>	<b>\$117.91</b>

## D) PDOC Info

PDOC Information				
Description	Data For	Data For	Data For	Data For
Employee Name	<b>Orson Carter</b>	<b>Don Key</b>	<b>Mike Lott</b>	<b>Hazel Tress</b>
Employer	Go & Sto Enterprises	Go & Sto Enterprises	Go & Sto Enterprises	Go & Sto Enterprises
Province of Employment	British Columbia	British Columbia	British Columbia	British Columbia
Pay Period Frequency	Bi-Weekly (26/Yr)	Bi-Weekly (26/Yr)	Bi-Weekly (26/Yr)	Bi-Weekly (26/Yr)
Date Employee Paid	12-Feb-21	12-Feb-21	12-Feb-21	12-Feb-21
Gross Pay	<b>\$1,692.68</b>	<b>\$1,653.52</b>	<b>\$1,705.54</b>	<b>\$1,685.74</b>
Claim Code	4 – Federal	2 – Federal	1 – Federal	3 – Federal
Claim Code	4 – Provincial	2 – Provincial	1 – Provincial	3 – Provincial
Employer's RRSP Contribution	<b>\$42.32</b>	<b>\$41.34</b>	<b>\$42.64</b>	<b>\$42.14</b>
Employee's RRSP Contribution	<b>\$29.62</b>	<b>\$28.94</b>	<b>\$29.85</b>	<b>\$29.50</b>
CPP Pensionable Earnings	\$5,204.90	\$3,193.45	\$5,244.54	\$5,183.65
CPP Contributions to Date	\$250.98	\$151.41	\$252.94	\$249.93
EI Insurable Earnings	\$5,204.90	\$3,193.45	\$5,244.54	\$5,183.65
EI Premiums to Date	\$86.40	\$53.01	\$87.06	\$86.05
Life, Health & Dental - Employee	\$22.00	\$22.00	\$22.00	\$22.00
Life, Health & Dental - Employer	\$33.00	\$33.00	\$33.00	\$33.00

## E) RRSP Specific Pay Form with Proof.

<b>Go &amp; Stow Enterprises - PieceWork Payroll Ledger - PDOC &amp; RRSP Specific</b>											
Period Ending:	02/05/21										
Employee Name	Total Pieces	Gross Pay	Tax Code	Federal Tax	Provincial Tax	CPP	EI	RRSP	Net Pay	Health Plan	Cheque Amount
Orson Carter	3042	1,692.68	4	111.12	45.75	87.22	27.41	29.62	1,391.56	22	1,369.56
Don Key	2988	1,653.52	2	133.16	52.62	85.03	26.78	28.94	1,326.99	22	1,304.99
Mike Lott	3001	1,705.54	1	147.11	58.79	87.94	27.62	29.85	1,354.23	22	1,332.23
Hazel Tress	2881	1,685.74	3	123.87	50.09	86.83	27.30	29.50	1,368.15	22	1,346.15
		<b>6,737.48</b>		<b>515.26</b>	<b>207.25</b>	<b>347.02</b>	<b>109.11</b>	<b>117.91</b>	<b>5440.93</b>	<b>88.00</b>	<b>5352.93</b>
<b>Proof:</b>	Left	Right		Left	Right						
Gross Pay	6,737.48			Net Pay	5440.93						
Federal Tax		515.26		Health Plan	88.00						
Provincial Tax		207.25		Cheque Amount	5352.93						
CPP		347.02			5440.93	5440.93					
EI		109.11									
RRSP		117.91									
Net Pay		5440.93									
	<b>6,737.48</b>	<b>6,737.48</b>									

## F) Record the compound General Journal entry for this payroll on Feb 12, 2021.

<b>General Journal</b>				
Date	Memo	F	Debit	Credit
Feb 12, 2021	Wages Expense		6,737.48	
	Income Tax Payable (Federal)			515.26
	Income Tax Payable (Provincial)			207.25
	CPP Payable			347.02
	EI Payable			109.11
	EE/RRSP Payable			117.91
	Group Health Payable			88.00
	Wages Payable			5,352.93
	To record the Payroll for the week period.			

## G) Record the General Journal entry on Feb 12, 2021, for the employer's contributions to CPP, EI, RRSP and Health Plan.

<b>General Journal</b>				
Date	Memo	F	Debit	Credit
Feb 12, 2021	CPP Expense - Employers Contribution		347.02	
	EI Expense - Employers Contribution		152.75	
	Group Health Expense - Employers Contribution		132.00	
	RRSP Expense - Employers Contribution		168.44	
	CPP Payable			347.02
	EI Payable			152.75
	Group Health Payable			132.00
	RRSP Payable			168.44
	To record employer's payroll contributions.			

## H) Record the entry in the Cash Payments Journal to issue the payroll cheques on Feb 12, 2021. The first paycheque is #11.

<b>CASH PAYMENTS JOURNAL</b>						Page #:	CPJ-1
Date	Account Dr.	Memo	F.	General Ledger Dr.	Bank Cr.	Chq. No.	
12-Feb-21	Wages Payable	Orson Carter		5352.93	1369.56	11	
		Don Key			1304.99	12	
		Mike Lott			1332.23	13	
		Hazel Tress			1346.15	14	

- I) Record the entry in the Cash Payments Journal for the remittance to CRA on March 15, 2021, cheque # 42.

CASH PAYMENTS JOURNAL						Page #: CPJ-1
Date	Account Dr.	Memo	F.	General Ledger Dr.	Bank Cr.	Chq. No.
15-Mar-21	Income tax Payable (Fed)	Payroll Remittances		515.26		
	Income tax Payable (Prov)	to Government		207.25		
	CPP Payable			694.04		
	EI Payable			261.86	1,678.41	42

- J) Record the entries in the Cash Payments Journal for the remittance to **Blue Cross** on March 15, 2021, of all Health Plan Contributions and to **Investors Group** of all RRSP contributions.

CASH PAYMENTS JOURNAL						Page #: CPJ-1
Date	Account Dr.	Memo	F.	General Ledger Dr.	Bank Cr.	Chq. No.
15-Mar-21	Group Health Remittance	To Blue Cross			220.00	43
15-Mar-21	RRSP Remittance	To Investor's Group			286.35	44

- K) RC107-E

CPP contributions <b>694.04</b>	EI premiums <b>261.86</b>	Tax deductions <b>722.51</b>	Current payment <b>1678.41</b>	Gross payroll <b>6737.48</b>	No. of employees in last pay period <b>4</b>
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RC107 E (11) Tear off here and return lower portion with your payment.

Canada Revenue Agency / Agence du revenu du Canada

**CURRENT SOURCE DEDUCTIONS REMITTANCE VOUCHER** RC107 E (11)

**YOU MUST COMPLETE THIS AREA**

Account number: \_\_\_\_\_

Legal name: **Go & Sto Enterprises**

Address: **1406 Money Road**

City: **Victoria** Province: **B.C.** Postal code: **V9N 1R4**

06 Do not use this area

Gross payroll in remitting period (dollars only): **673700**

Number of employees in last pay period: **4**

End of remitting period for which deductions were withheld: Year **2021** Month **02**

Amount paid: **1678.41**