

Payroll Practice Exam

All the employees work at Go & Sto Enterprises of Victoria, British Columbia (1406 Money Road, Victoria BC, V9N 1R4). All employees are paid a salary plus for the number of pieces they create. Here's a list of the employees, their salaries, the number of pieces they have created, and their TD1 tax code.

Name	Base Salary	Pieces Completed	Tax Code
Orson Carter	\$625.00	3,042	4
Don Key	\$615.00	2,988	2
Mike Lott	\$660.00	3,001	1
Hazel Tress	\$705.00	2,881	3

A) Complete the following table to compute their **Gross Salaries**:

Practice Exam - Gross Salary Calculations.											
Orson Carter (PieceWork + Salary)				Don Key (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:		x	0.54 =	Over 2,500 pieces:		x	0.54 =				
Base Salary	\$ 625.00	x	1 = \$ 625.00	Base Salary	\$ 615.00	x	1 = \$ 615.00				
Gross Pay for	Orson Carter			Gross Pay for	Don Key						
Mike Lott (PieceWork + Salary)				Hazel Tress (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:		x	0.54 =	Over 2,500 pieces:		x	0.54 =				
Base Salary	660.00	x	1 = \$ 660.00	Base Salary	705.00	x	1 = \$ 705.00				
Gross Pay for	Mike Lott			Gross Pay for	Hazel Tress						

B) Copy the **Employees Names, Total Pieces, Gross Payroll, and Tax Code** to a **Piecework Payroll Ledger PDOC & RRSP Specific form** that you will find in your student materials.

C) Copy the Gross Pay for each employee from the table above (A) and then compute the **Employer** and **Employee** contributions to the **RRSPs**:

RRSP Calculations			
Employee Name	Gross Pay (Copy from A)	Employer RRSP (2.5%)	Employee RRSP (1.75%)
Orson Carter			
Don Kee			
Mike Lott			
Hazel Tress			

- D) Using the **Payroll Deduction Online Calculator (PDOC)**, computing the 's employee **deductions** (Federal tax deduction, Provincial tax deduction, CPP, EI, RRSPs) and their **Net Pay**. Fill in the group **Health plan** contribution and compute the **Cheque amount** Save the PDOC payment slips on your One Drive for your instructor to verify. Use the following information with the PDOC, filling in the **Gross Pay** and **RRSP** amounts for each worker:

PDOC Information				
Description	Data For	Data For	Data For	Data For
Employee Name	Orson Carter	Don Kee	Mike Lott	Hazel Tress
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	16-Feb-18	16-Feb-18	16-Feb-18	16-Feb-18
Gross Pay				
Claim Code	4 – Federal	2 – Federal	1 – Federal	3 – Federal
Claim Code	4 – Provincial	2 – Provincial	1 – Provincial	3 – Provincial
Employer's RRSP Contribution				
Employee's RRSP Contribution				
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) Transfer the deductions and net pay to your **RRSP Specific Pay** form you started in step B). After all employee details have been recorded total and prove the entries.
- F) Record the compound General Journal entry for this payroll on Feb 16, 2018.
- G) Record the General Journal entry on Feb 16, 2018 for the employer's contributions to CPP & EI.
- H) Record the entry in the Cash Payments Journal to issue the payroll cheques on Feb 16, 2018. The first paycheck is #9.
- I) Record the entry in the Cash Payments Journal for the remittance to CRA on March 15, 2018, cheque # 36.
- J) Complete the enclosed RC107-E remittance form detailing the payroll remittance to CRA on March 15, 2018.