

Payroll Practice Exam Solutions

A) Gross Salaries Calculations:

Ch 10 - Ex 3 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	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			\$1,692.68	Gross Pay for	2988 Pieces			\$1,653.52
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	501	x	0.54	= \$ 270.54	Over 2,500 pieces:	381	x	0.54	= \$ 205.74
Base Salary	660.00	x	1	= \$ 660.00	Base Salary	705.00	x	1	= \$ 705.00
Gross Pay for	3001 Pieces			\$1,705.54	Gross Pay for	2881 Pieces			\$1,685.74

B) Copy the Employees Names, Total Pieces, Gross Payroll, and Tax Code to a Piecework Payroll Ledger PDOC & RRSP Specific form.

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 Kee	\$1,653.52	\$41.34	\$28.94
Mike Lott	\$1,705.54	\$42.64	\$29.85
Hazel Tress	\$1,685.74	\$42.14	\$29.50
Totals	\$6,737.48	\$168.44	\$117.91

D) PDOC Info

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	\$1,692.68	\$1,653.52	\$1,705.54	\$1,685.74
Claim Code	4 – Federal	2 – Federal	1 – Federal	3 – Federal
Claim Code	4 – Provincial	2 – Provincial	1 – Provincial	3 – Provincial
Employer's RRSP Contribution	\$42.32	\$41.34	\$42.64	\$42.14
Employee's RRSP Contribution	\$29.62	\$28.94	\$29.85	\$29.50
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.

Bluebird Enterprises Employee Payroll Ledger - RRSP Specific											
Employee Name	Total Pieces	Gross Payroll	Tax Code	Federal Tax	Prov Tax	CPP	EI	RRSP	Net Pay	Health Plan	Cheque Amount
Orson Carter	3042	1,692.68	4	125.69	50.66	79.22	28.80	29.62	1,378.69	22	1,356.69
Don Kee	2988	1,653.52	2	146.35	56.95	77.23	28.13	28.94	1,315.92	22	1,293.92
Mike Lott	3001	1,705.54	1	160.00	62.99	79.87	29.02	29.85	1,343.81	22	1,321.81
Hazel Tress	2881	1,685.74	3	137.76	54.72	78.87	28.68	29.50	1,356.21	22	1,334.21
Totals		6,737.48		569.80	225.32	315.19	114.63	117.91	5,394.63	88.00	5,306.63
Proof	Left	Right								Left	Right
Gross Pay	6,737.48								Net Pay	5,394.63	
Federal Tax		569.80							Health Plan		88.00
Prov Tax		225.32							Cheque Amount		5,306.63
CPP		315.19								5,394.63	5,394.63
EI		114.63									
RRSP		117.91									
Net Pay		5,394.63									
Totals:	6,737.48	6,737.48									

F) Record the compound General Journal entry for this payroll on Feb 16, 2018.

Month-Year	Day	Description	Debit	Credit
Feb-18	9	Wages Expense	6,737.48	
		Income Tax Payable (Federal)		569.80
		Income Tax Payable (Provincial)		225.32
		CPP Payable		315.19
		EI Payable		114.63
		RRSP Payable		117.91
		Health Plan		88.00
		Wages Payable		5,306.63
		To record the payroll for the biweekly period.		

G) Record the General Journal entry on Feb 16, 2018 for the employer's contributions to CPP, EI, RRSP and Health Plan.

Month-Year	Day	Description	Debit	Credit
Feb-18	9	CPP Expense - Employers Contribution	315.19	
		EI Expense - Employers Contribution	160.48	
		RRSP Expense - Employers Contribution	168.44	
		Health Plan Expense - Employers Contribution	132.00	
		CPP Payable		315.19
		EI Payable		160.48
		RRSP Payable		168.44
		Health Plan Payable		132.00
		To record employer's payroll contributions.		

H) Record the entry in the Cash Payments Journal to issue the payroll cheques on Feb 16, 2018. The first paycheque is #9.

CASH PAYMENTS JOURNAL							
DATE	ACCOUNT DEBIT	MEMO	F.	GEN. LED. DR	BANK CR.	CH. NO.	
2018							
Feb.	2 Wages Payable	Orson Carter		5,306.63	1356.69	9	
		Don Kee			1293.92	10	
		Mike Lott			1321.81	11	
		Hazel Tress			1334.21	12	

- I) Record the entry in the Cash Payments Journal for the remittance to CRA on March 15, 2018, cheque # 36.

CASH PAYMENTS JOURNAL							
DATE	ACCOUNT DEBIT	MEMO	F.	GEN. LED. DR	BANK CR.	CH. NO.	
2018							
Mar. 15	Income Tax Payable. (Fed)	Payroll remittance to the government.		569.8			
	Income Tax Payable. (Prov)			225.32			
	CPP Payable			630.38			
	EI Payable			275.11	1700.61	36	

- J) Record the entries in the Cash Payments Journal for the remittance to **Blue Cross** on March 15, 2018 of all Health Plan Contributions and to **Investors Group** of all RRSP contributions.

CASH PAYMENTS JOURNAL							
DATE	ACCOUNT DEBIT	MEMO	F.	GEN. LED. DR	BANK CR.	CH. NO.	
2018							
Mar. 15	Health Plan Remittance	To Blue Cross			220.00	37	
Mar. 15	RRSP Remittance	To Investors Group			286.34	38	

- K) RC107-E

AMOUNT OF PAYMENT ▶ 1700.61

CPP contributions 630.38	EI premiums 275.11	Tax deductions 795.12	Current payment 1700.61	Gross monthly payroll 6737.48	No. of employees in last pay period 4
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RC107 E (00) Tear off here and return lower portion with your payment.

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

CURRENT SOURCE DEDUCTIONS REMITTANCE VOUCHER

002022 RC107 E (00)

YOU MUST COMPLETE THIS AREA

Business Number: 123456789

Legal Name: Go & Sto Enterprises

Address: 1406 Money Road

City: Victoria Province: BC Postal Code: V9N 1R4

Do not use this area

6

Gross payroll in remitting period (dollars only): 6737 0,0

Number of employees in last pay period: 0 4

Month for which deductions were withheld: 0 2 Year: 2 0 1 8

Amount paid: 1700.61