

21st Century Lesson

Subject: Career Development 10

Grade: 10

Unit: Financial Management

Driving Question: How do I make sense of my paycheck?

Curriculum Outcomes:

- 2.2 Access, interpret and evaluate career information
- 4.1 Make life/work decisions that balance values and financial realities
- 4.2 Demonstrate strategies for managing money in life and work

Lesson Goals:

- Students will understand payroll deductions
- Students will understand the difference between gross pay and net pay
- Students will be able to create a pay stub that reflects a future career interest

Students' Prior Knowledge:

Students have been introduced to basic financial and budgeting terms (gross pay, net pay, deductions)

Screencast Link(s):

[Screencast](#)

[This Lesson on my website](#)

Expected Time: 60 TO 80 Minutes

Resources Required:

- [Review Quiz](#) & Plickers Cards
- [Handout Notes](#)
- [Sample Pay Stub](#)
- Student access to internet (cell phones, laptops or ipads)
- Teacher computer and Ipad

LESSON PROCEDURE

We do:

- To review for understanding of terms already covered in a previous lesson, handout student Plicker cards and do the interactive [Plickers Quiz](#)

find, validate

critical thinking

remember, understand

evaluate, leverage

collaborate, communicate

create, publish

analyze, synthesize

citizenship

I do:

- Handout '[Understanding Your Paycheck](#)' and review with students
- Show the [Sample Pay Stub](#) on the overhead, explaining how to understand the numbers and deductions
- After explaining the pay stub, check for understanding by asking students the [follow-up questions](#):

find, validate

critical thinking

remember, understand

evaluate, leverage

collaborate, communicate

create, publish

analyze, synthesize

citizenship

We do:

- Explain to students that they will be creating a pay stub based on their career interest (to give them an idea of what they can expect to see on their future paychecks)
- Handout the *Paycheck Assignment* and explain that you will be doing this along with the students. Go through each part of the assignment while showing an example on the overhead board.
- Students will need to use devices to log on to www.workingincanada.gc.ca to find average salary in order to start the assignment.
- Collect assignments from students to check for understanding.

find, validate

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WRAP UP/REMINDERS:

Explain that students will be using this pay stub in their next lesson to create a monthly budget

DIFFERENTIATION

Modification

- Some students may require one on one support to complete the Paycheck Assignment; allow other students to pair up or assist one another
- Students can access the screencast to revisit the steps to completing the assignment

Enrichment

- Students can refer to the Income Tax Rates on <http://www.cra-arc.gc.ca/tx/ndvdlis/fq/txrts-eng.html> to do their own calculations and understand graduated rates and tax brackets
- Students can research other deductions such as medical, dental, insurance and rrsp's to include on their pay stub.

Evaluation:

- Student participation and feedback
- Interactive [Quiz](#)
- Assessment of Paycheck Assignment – [Grading Rubric](#)

On-Line Resources:

[Plickers Quiz](#)

[Working in Canada Job Bank](#)

[Payroll Deductions Calculator](#)

[Monster.ca Career Advice](#)

Understanding Your Paycheck

Terms to Know

Gross Pay: the amount you make before your employer deducts anything

Net Pay: this is your gross pay less any amounts deducted (take home pay)

By law, an employer must deduct the following amounts from your employment earnings:

- Income Tax
- Employee contributions to Employment Insurance (EI)
- Employee contributions to the Canada Pension Plan (CPP)

CRA – Canada Revenue Agency Deductions

Income Tax:

In Canada, we pay income tax at graduated rates. This means that the tax rate goes up as your income goes up. (The amount you pay depends on the amount you earn).

Income Tax rates:

- 15% **on the first** \$42,707
- 22% **on the next** \$42,707
- 26% **on the next** \$46,992
- 29% of taxable income **over** \$132,406.

Employment Insurance (EI):

Employment Insurance allows employees who have recently lost a job to receive temporary financial assistance.

Canada Pension Plan (CPP):

If you retire after age 60, the CPP pays benefits to seniors who qualify.

Other Payroll Deductions

Your employer may deduct additional items from your pay

Union Dues:

If your company is part of a union, then you must pay dues to contribute towards the cost of being a member.

Health Benefits:

Medical, dental

Pension:

Optional, offered by some companies

Sample Pay Stub

Pay Statement Check #: 7612				ABC Company 4290 Main Street Dartmouth NS B4R 1Z9		
Employee Name: John W. Doe		Employee #: 4572	Social Ins. #: xxx-xxx-xxx	Check Date: 12/18/2015	Start Pay: 12/03/2015	End Pay: 12/17/2015
Earnings	Rate/hr	Hours	Gross Amount	Deductions	Amount	YTD Total
Regular Pay	23	80.00	1840.00	CPP EI Income Tax	84.42 34.59 360.47	n/a
Gross Amount 1840.00	Deductions 479.48	Net Pay 1360.52	YTD Earnings n/a	YTD Deductions n/a	YTD Pay n/a	

Follow-up Questions:

- What is John Doe's Gross Income?
- What is his hourly wage?
- What pay period does this paycheck cover?
- How much did John contribute to his retirement plan?
- How much is John's take-home pay?

PLICKERS QUIZ

A way you can save money for your retirement

- A Employmen... B Income Ta... C Insurance D RRSP



Expand

A fee charged by money lenders

- A Expense B Insurance C Interest D Tax



Expand

Insurance you can collect if you are recently laid off from your job

- A Canada Pe... **B** Employmen... C Income Ta... D Gross Inc...



Expand

Your income after deductions

- A Asset Inc... B Gross Inc... C Large Inc... **D** Net Incom...



Expand

Your income before any deductions

- A Asset Inc... **B** Gross Inc... C Large Inc... D Net Incom...



Expand

The government deducts this from your pay and returns to you when you retire

- A** Canada Pe... B Employmen... C Income Ta... D Net Incom...



Expand

House payments

- A insurance B home equi... C asset **D** mortgage



Expand

To put money into something expecting to receive a return or a profit

- A collatera... B income ta... **C** invest D gross inc...



Expand

This is an example of a liability

A Cash

B Car

C Food

D Mortgage



Expand

This is an example of an asset

A Car

B Expense

C Mortgage

D Insurance



Expand

An example of a variable expense

A Car Payme...

B Groceries

C Insurance

D Rent



Expand

An example of a fixed expense

A Gas

B Groceries

C Leisure

D Rent



Expand

A type of expense that stays the same each month

A Consisten...

B Fixed

C Repeat

D Variable



Expand

A type of expense that can change each month

A Adapting

B Fixed

C Changing

D Variable



Expand

Paycheck Assignment

Pay Stubs & Deductions
CDV 10

Name:

YOUR CAREER: _____

YOUR SALARY	
Average Hourly Wage (www.workingincanada.gc.ca)	
Gross Biweekly Wage (average hourly wage X 80 hours)	
Gross Annual Salary (gross biweekly wage X 26 pay periods)	

YOUR DEDUCTIONS	
http://www.cra-arc.gc.ca/esrvc-srvce/tx/bsnss/pdoc-eng.html	
Income tax (federal and provincial)	
CPP	
EI	
TOTAL DEDUCTIONS	
NET AMOUNT (Your take-home pay)	

Understanding your Paycheck ASSESSMENT

2.2 Access, interpret and evaluate career information	
Salary: find average annual salary and calculate gross and net biweekly income	/3
4.1 Make life/work decisions that balance values and financial realities 4.2 Demonstrate strategies for managing money in life and work	
Deductions: Calculate CPP, EI and Income Tax Understand payroll deductions and the difference between gross and net pay	/5
Plickers Quiz (1 pt. each question)	/14
	/22