

CALCULATING PAYROLL DEDUCTIONS

2012 Income Tax Return, the basic personal amount is \$10,822 for Federal and \$10,925 for Quebec

Employee Contribution of \$10¹

1 Total Tax Reduction (RRSP and credits)			2 No Tax Reduction		
	Revenu Québec	Canada Revenue Agency		Revenu Québec	Canada Revenue Agency
Weekly salary	\$500,00	\$500,00	Weekly salary	\$500,00	\$500,00
Other taxable benefits	\$0,00	\$0,00	Other taxable benefits	\$0,00	\$0,00
Gross income	\$500,00	\$500,00	Gross income	\$500,00	\$500,00
Less			Less		
Employee contribution to the Fund RRSP	(\$10,00)	(\$10,00)	Employee contribution to the Fund RRSP*	\$0,00	\$0,00
Employment amount or credit	(\$20,67)	(\$20,48)	Employment amount or credit	(\$20,67)	(\$20,48)
Taxable income	\$469,33	\$469,52	Taxable income	\$479,33	\$479,52
Income tax payable before Labour-sponsored funds tax credit	(\$33,07)	(\$26,29)	Income tax payable before Labour-sponsored funds tax credit	(\$34,67)	(\$27,54)
Labour-sponsored funds tax credit (15 % for Québec and 15 % for Federal)	\$1,50	\$1,50	Labour-sponsored funds tax credit (15 % for Québec and 15 % for Federal)	\$0,00	\$0,00
Income tax payable	(\$31,57)	(\$24,79)	Income tax payable	(\$34,67)	(\$27,54)
Total income tax payable	(\$56,36)		Total income tax payable	(\$62,21)	
Less tax credits :			Less tax credits :		
- QPP premium	(\$21,74)		- QPP premium	(\$21,74)	
- EI premium	(\$7,05)		- EI premium	(\$7,05)	
- QPIP premium	(\$2,80)		- QPIP premium	(\$2,80)	
- Fund RRSP contribution	(\$10,00)		- Fund RRSP contribution	(\$10,00)	
- Other	\$0,00		- Other	\$0,00	
Total	(\$97,95)		Total	(\$103,80)	
Net pay for the period (approx.)	\$402,05		Net pay for the period (approx.)	\$396,20	

The employee will claim the RRSP deduction on his/her income tax returns.

*Employee contributions have no impact on taxable income.

Employee and Employer Contribution¹: \$10 each

Important notice concerning employer contributions

Employer contributions must be excluded from insurable earnings (gross income) when calculating Employment Insurance and Québec Parental Insurance Plan premiums (Réf. *Insurable Earnings and Collections of Premiums Regulation, paragraph 2(3)a*).

3 Total Tax Reduction (RRSP and credits)			4 No Tax Reduction (except RRSP deduction for the employer contribution)		
	Revenu Québec	Canada Revenue Agency		Revenu Québec	Canada Revenue Agency
Weekly salary	\$500,00	\$500,00	Weekly salary	\$500,00	\$500,00
Other taxable benefits			Other taxable benefits		
- Employer's contribution to the employee's RRSP	\$10,00	\$10,00	- Employer's contribution to the employee's RRSP	\$10,00	\$10,00
Gross income	\$510,00	\$510,00	Gross income	\$510,00	\$510,00
Less			Less		
- Employee contribution	(\$10,00)	(\$10,00)	- Employee contribution*	\$0,00	\$0,00
- Employer contribution	(\$10,00)	(\$10,00)	- Employer contribution*	(\$10,00)	(\$10,00)
Employment amount or credit	(\$20,67)	(\$20,48)	Employment amount or credit	(\$20,67)	(\$20,48)
Taxable income	\$469,33	\$469,52	Taxable income	\$479,33	\$479,52
Income tax payable before Labour-sponsored funds tax credit	(\$33,07)	(\$26,29)	Income tax payable before Labour-sponsored funds tax credit	(\$34,67)	(\$27,54)
Labour-sponsored funds tax credit (15 % for Québec and 15 % for Federal)	\$3,00	\$3,00	Labour-sponsored funds tax credit (15 % for Québec and 15 % for Federal)	\$0,00	\$0,00
Income tax payable	(\$30,07)	(\$23,29)	Income tax payable	(\$34,67)	(\$27,54)
Total income tax payable	(\$53,36)		Total income tax payable	(\$62,21)	
Less tax credits :			Less tax credits :		
- QPP premium	(\$22,25)		- QPP premium	(\$22,25)	
- EI premium	(\$7,05)		- EI premium	(\$7,05)	
- QPIP premium	(\$2,85)		- QPIP premium	(\$2,85)	
- Fund RRSP contribution	(\$20,00)		- Fund RRSP contribution	(\$20,00)	
- Other	\$0,00		- Other	\$0,00	
Total	(\$105,51)		Total	(\$114,36)	
Net pay for the period (approx.)	\$404,49		Net pay for the period (approx.)	\$395,64	

The employee will claim the RRSP deduction on his/her income tax returns.

*Employee contributions have no impact on taxable income.

¹ Employee with no dependants