

Chapter 2.1 – Wages and Gross Pay

"GROSS PAY" – The money you earn (before deductions)*

You are usually paid by the hour.

You might be paid "Salary," where it doesn't matter how many hours you work, the pay is the same (these are usually the higher paying jobs).

You might get a paycheque every:

- Day (365 checks per year, *but honestly – it's usually cash*)
- Week (52 cheques per year)
- Two Weeks ("Bi-Weekly" – 26 cheques per year)
- Twice a month ("Semi-Monthly" – 24 cheques per year)
- Once a month (12 months per year)

Jimmy earns \$12.40 per hour. He works 32 hours per week. Determine his:

- Weekly Pay:

$$\begin{array}{rcl} \$12.40 & \times & 32 \\ (\text{pay per hour}) & & (\text{hours}) \end{array} = \$396.80 \quad (\text{cheque})$$

- Annual Pay:

$$\begin{array}{rcl} \$396.80 & \times & 52 \\ (\text{pay per week}) & & (\text{weeks}) \end{array} = \$20,633.60$$

- Monthly Pay:

$$\frac{(\text{pay per year})}{(\text{months per year})} = \frac{20,633.60}{12} = \$1719.47 \quad (\text{cheque})$$

Jimmy now earns \$1360 "bi-weekly." Determine his annual pay:

$$\begin{array}{rcl} \$1360 & \times & 26 \\ (\text{pay bi-week}) & & (\text{weeks}) \end{array} = \$36,360.00$$

In this job, Jimmy works 24 hours per week. Determine his hourly wage:

$$\frac{(\text{pay bi-week})}{(\text{hours in two weeks})} = \frac{\$1360}{48} = \$28.33$$

You know how you can make really good money? OVERTIME.

Overtime usually pays "Time-and-a-half." That's a 50% markup. 150% of your wage.

Jimmy now earns 18.20 per hour, plus 150% (time-and-a-half) for any hours OVER 8 in a day. One day he works 11 hours. Determine his total pay for the day:

$$\$18.20 \times 150\% \quad (150/100)$$

$$\$18.20 \times 1.50$$

\$27.30 per hour for overtime hours.

Regular Pay:	\$18.20	x	8	=	\$145.60
Overtime Pay:	\$27.30	x	3	=	\$81.90
Total Pay:	\$145.60	+	\$81.90	=	\$227.50

My favourite was overtime on Statutory Holidays. A stat pays double time. Overtime then is "triple time-and-a-half," or your wage times 350%

*Deductions: Taxes, Medicare, Pension, Employment Insurance, Canada Pension Plan, Dental, Extended Health, Union Dues, etc.