

Your Pay Cheque Explained

Below is a summary of the earnings and deductions you often see on a Canadian pay cheque.

ABC FARMS LTD.		① For Pay Period: 01/15/200_		Cheque No. 0001	
José González Sánchez					
EARNINGS		MANDATORY DEDUCTIONS		PAY CHEQUE SUMMARY	
② Wages	\$ 997.60	④ Tax	\$ 137.56	⑪ Gross Pay	\$ 1,037.50
③ Vacation Pay	39.90	⑤ EI	19.40	⑫ Withheld	435.48
		⑥ CPP	44.69		
Gross Pay	\$ 1,037.50	SAWP DEDUCTIONS		⑬ Net Pay	\$ 602.02
		⑦ RBC Insurance	14.00		
		⑧ Permit Fee	50.00		
		⑨ Housing (7%)	69.83		
		⑩ Advance	100.00		
		Withheld	\$ 435.48		
				Salary: 116 Hours	

Earnings

① Pay period

This is the length of time covered by a pay cheque. Pay periods are usually two weeks long.

② Wages (sometimes called Salary)

This is the money you earn for the hours you worked during the pay period.

③ Vacation Pay

Vacation pay is four percent of your wages.

Mandatory Deductions by the Government of Canada

④ Tax

The Government of Canada taxes the money you earn. The amount of money deducted is based on how much you earn. If you file a Canadian Income Tax Return, the Government of Canada may refund part or all of this money to you.

⑤ EI (Employment Insurance)

The Government of Canada requires workers to have EI. This insurance gives certain workers some money for a short period of time if they are laid off or are too sick to work. You may or may not get money, based on your specific case. The Government of Canada requires you to pay 40% of the cost of the insurance. Your employer must pay the remaining 60% of the cost.

⑥ CPP (Canada Pension Plan)

The Government of Canada requires you to pay into the CPP. The CPP gives money to workers after they retire. You can only get the money if you have a Canadian Social Insurance Number and you file Canadian Income Tax Returns. The employer also pays into your Canada Pension Plan. The employer pays the same amount of money as you for your retirement.

Deductions under the Seasonal Agriculture Workers Program (SAWP)

The Canadian and Mexican governments have agreed that Mexican farm workers pay for the items below.

⑦ RBC Insurance

Every person living in Canada is required to have health insurance. The RBC private healthcare insurance you buy under the SAWP contract may cover part or all of any medical or dental service, or drug costs that you may have while you are in Canada. The current RBC insurance rate is \$1.00 per day.

⑧ Permit or Visa Fee

The Government of Canada charges \$150 for the permit which allows you to work in Canada. \$50 will be deducted from three (3) pay cheques. After this, the full \$150 fee is paid.

⑨ Housing

Your employer provides a place for you to live but you pay for some of this cost. Housing can cost 7% of your monthly earnings. Your employer cannot charge you more than \$550 per year for housing. This money may be deducted from every pay cheque.

⑩ Advance

Your employer may loan you money before you start work so you can buy food and other things you may need. This money is deducted from your first few pay cheques until it is paid back.

Pay Cheque Summary

⑪ Gross Pay

Gross pay is your total earnings for the pay period (before deductions).

⑫ Withheld

Withheld is the sum of all the deductions described above that are made by the Government of Canada and SAWP.

⑬ Net Pay

Net pay is the income you take home. It is the gross pay less the withheld.

