

Lesson 2 Practice Questions

Calculating Canada Pension Plan

1. John's gross pay is \$43 000.00/year.
 - a. What is his CPP contribution for one year?

Hint:

Step 1: Subtract \$3 500.00 from the annual salary.

Step 2: Calculate the CPP contribution.

Step 3: Check to see if the annual contribution amount is greater than the maximum CPP contribution of \$2 425.50.

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- b. How much CPP is deducted from each paycheque if he is paid once a month?

Hint:

_____ \div 12 months/year =

2. Michelle, a carpenter, makes \$5020.83/month. Calculate her annual CPP deduction.

Hint:

Step 1: Calculate Michelle's annual gross pay.