

GROSS PAY

Whether you are paid a salary, a wage, or any other manner, your income is the amount of money you receive for the work you do. This income is usually paid *weekly*, *biweekly* (every two weeks), *semi-monthly* (twice a month), *monthly*, but not usually *annually* (once a year). The amount of money you make before any deductions is called your **gross pay**. Deductions – money taken off your paycheque to pay taxes, union dues, and other benefits – will be discussed later in this unit.

It is important to know how to calculate gross pay for different types of jobs.

Example 1: Maria works as an electrician and earns \$24.68/h. If she worked for 15 hours on one job, how much did she earn?

Solution: Multiply the hourly wage by the number of hours she worked.

$$\$24.68 \times 15 \text{ h} = \$370.20 \quad \text{She earned } \$370.20 \text{ on this job.}$$

Example 2: Last year, Michelle earned \$45 183.36 at a hair salon. What was her average monthly income?

Solution: Divide her gross income by the number of months in a year.

$$\$45\,183.36 \div 12 = \$3765.28 \quad \text{Her monthly income was } \$3765.28.$$

Example 3: Chi works cutting lawns. Last week, he worked 34 hours and earned \$329.12. What is his hourly wage?

Solution: Divide his gross income by the number of hours he worked.

$$\$329.12 \div 34 \text{ h} = \$9.68/\text{h} \quad \text{He earns } \$9.68 \text{ per hour.}$$

Example 4: If Sam is paid biweekly and his annual salary last year was \$32 000, what was his gross pay on each paycheque?

Solution: Divide his gross income by the number of pay periods for biweekly pay in a year. There are 52 weeks in a year so biweekly pay occurs half that number of weeks or $52 \div 2 = 26$ times a year.

$$\$32\,000 \div 26 = \$1230.77 \quad \text{Sam's biweekly gross pay was } \$1230.77.$$

ASSIGNMENT 2 – GROSS PAY

1) Harpreet works as a carpenter for \$20.87/h. How much will he earn in a 40-hour work week?

2) Ben works in a trucking business and is paid \$35.75/h. Last week he worked the following hours:

Monday – 6 hours

Tuesday – 8 hours

Wednesday – 8 hours

Thursday – 12 hours

What was his gross pay for this week?

3) Jimmy is a flag person and earned \$321.10 last week for 32.5 hours work. What is his hourly wage?

4) Martha's annual salary last year was \$72 000. What was her gross pay each month?

5) Pavneet's annual gross pay is \$48 000. If she is paid biweekly, what is her gross pay on each paycheque?