



Lesson Plan 18

Reading your Paycheque

CLB Level(s): 5-6

CLB Skill(s): Speaking, Reading

Essential Skill(s): Document Use, Oral Communication

Objective(s)	Audience
<ul style="list-style-type: none"> ■ To interpret the information on pay stubs ■ To obtain information from a complex document 	<ul style="list-style-type: none"> ■ Learners who have questions about their paycheque and deductions ■ Learners who are about to enter the workforce
Grammar/Language Focus	Time Required
<ul style="list-style-type: none"> ■ Acronyms and W – questions 	<p>1.5-2 hours</p> <p>Time will depend on the familiarity of the group with pay processes.</p>
Vocabulary	Materials
<ul style="list-style-type: none"> ■ deduction, gross pay, net pay, pay period, pay stub, take-home pay, pension, salary, wage as well as common acronyms used on pay stubs 	<ul style="list-style-type: none"> ■ Overhead projector ■ Appendices 2.1, 3.1, 3.2

Workplace Culture

The Canadian systems of payment and deductions may be completely new to learners. Whether they are already in the workplace or planning to enter the workforce soon, newcomers need to be aware of the standards that will affect their disposable income.



Learning Activities

Activity 1: Discussion and Brainstorming on Key Vocabulary

1. Put the following vocabulary on the board or overhead. Allow time for students to discuss what they already know in pairs or small groups. Come together as a class to agree on the meanings.
 - Deduction
 - Gross pay
 - Net pay
 - Pay period
 - Pay stub
 - Take-home pay
 - Pension
 - Salary
 - Wage

Activity 2: Reading about Deductions (jigsaw activity)

1. Cut Appendix 2.1 into sections (as many sections as there are learners in the group, i.e. If there are four people in a group, then divide the article in four).
2. Distribute the sections. Each learner reads their part individually, looking up any new words and becoming the “expert” on that part of the text.
3. The group reunites and shares their respective parts, explaining concepts or vocabulary if necessary.

Activity 3: Reading a Paycheck

1. Project a sample of a pay stub (Appendix 3.1).
2. Review the pay stub, section by section. There may be items or vocabulary on the pay stub which were not explained in the two previous activities, such as ‘rate’ and ‘check number’. Allow learners who know the information to explain to the others. Help clarify the explanations.

*This can also be done by a simple Q & A. See the Appendix 3.2 for sample questions.

Additional and/or Extended Learning Activities

- Have learners create at least one question each regarding payment or checks. Teach the term ‘FAQ’ and attempt to provide answers to their questions.



Learning Activities

Reflective Evaluation

- Determine whether learners are able to easily find information on a pay stub. Do they understand the acronyms?

Debriefing/Wrap-up

- Discuss the kinds of mistakes that might occur in your pay check and why it is important to check it each pay period.
- Discuss the good side to deductions.

Skill Descriptors

Canadian Language Benchmarks Skill(s)	Essential Skill(s)
<p>Speaking</p> <p>Performance Indicators (Information: Presentations)</p> <ul style="list-style-type: none"> ■ Use simple grammar structures, with clear present, past and future time reference; and personal and textual reference (only some errors). (CLB 5) <p>What the Person Can Do (Information: Interaction in a groups)</p> <ul style="list-style-type: none"> ■ Participate in a small group discussion on non-personal familiar topics. (CLB 6) 	<p>Document Use</p> <p>Complexity of Finding/Entering Information (Information Search)</p> <ul style="list-style-type: none"> ■ Locating one or more pieces of information using one or two search criteria. (ES 2) <p>Complexity of Information Use</p> <ul style="list-style-type: none"> ■ Limited knowledge of the content (i.e. substance) of the document may be required to use the information. (ES 2) ■ Limited analysis required. (ES 2)
<p>Reading</p> <p>Performance Indicators (Business/service texts)</p> <ul style="list-style-type: none"> ■ Identifies key information and locates specific details in verbal text and graphics, including extensive directories, charts and schedules. (CLB 5) <p>Examples of Tasks and Texts (Informational Texts)</p> <ul style="list-style-type: none"> ■ Explain an educational system or a government system by reading and interpreting a simple chart. (CLB 5) <p>What the Person Can Do (Business/service texts)</p> <ul style="list-style-type: none"> ■ Find two or three pieces of information in moderately complex formatted texts. (CLB 6) 	<p>Oral communication</p> <p>Functions</p> <ul style="list-style-type: none"> ■ Obtains specific information (ES 1) <p>Information</p> <ul style="list-style-type: none"> ■ Moderate range of general and context specific or technical vocabulary or idioms (ES 2)

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Deductions

When you get your first paycheck you might be shocked to see that you are getting less money than you thought. The reason for this is deductions. Deductions hurt at first but they are like insurance and can help you later on. You can not refuse most of these deductions.

This is what the deductions are:

Canada Revenue Agency Deductions (CRA)

Employment Insurance (EI)

- If you lose your job because of a lay-off (shortage of work) then you can apply for EI. There are rules to follow but you may be able to get some money while you are looking for work. EI will give you about half of what your monthly salary was at your last job.
- EI also covers maternity leave. A parent may receive about half their salary while they stay home to look after a new baby. The mother can stay home for almost a year or she can share this leave with the baby's father (paternity leave).
- If you have a long term sickness or injury you may get money from EI for up to 15 weeks.

Canada Pension Plan (CPP)

- 5% of your salary is deducted for your CPP. The employer will match the amount you pay for CPP. This means that each year you will have about 10% of your salary in savings for when you are older and can't work anymore.
- When you are about 65 you can start to receive payments from the money you have in CPP. It is not enough money to live on though. Most pensioners get around \$400 a month.
- Every Canadian also receives "Old Age Security" checks when they reach age 65. It is also about \$400. This is a benefit that you don't have to pay for directly.

Income Tax

- Every Canadian has to pay federal and provincial taxes. The amount increases with the amount of money you earn. The money is taken off your check each pay period. Then at income tax time (April) you may get some money back.

Company Deductions

Benefits

- You will pay part of the premium for your benefit coverage. The amount you pay usually gets less the longer you work for a company. Benefit coverage is not optional unless you are covered by your spouse's plan.
- However the amount you pay is small in comparison to the value of what you get in return.

Union Dues

- If your company is part of a union you will have to pay union dues. It is not optional. However you can deduct union dues from your income tax.

Registered Retirement Savings Plan (RRSP)

- This deduction would be optional if it is offered at your company. It is a way to save money for your retirement. You don't have to pay income tax on money you put in RRSPs **until you take it out.**

Appendix 3.1

Getting Paid

When you get paid by your new employer, you may receive only a pay stub because your salary has been directly deposited into your bank account or you will receive both a pay cheque and pay stub (such as the one below).

Date: August 8, 2007		Cheque No. 7116							
S.I.N. 617 458 962		Employee No. 1265							
Hours Worked	Rate of Pay	Gross Pay	Vacation Pay	CPP	EI	Income Tax	Union Dues	Net Pay	Pay Period Ending
80	\$14.00	\$1120.00		\$50.00	\$20.27	\$194.20		\$855.53	July 31, 2007
The Welding Shop 1054 Main Street Winnipeg, Manitoba									
Pay to the order of <u>YOSEF KILOWANE</u>									
\$ <u>855.53</u>									
EIGHT HUNDRED AND FIFTY FIVE									
53 ¹ / ₁₀₀ Dollars									
Cheque 7116 August 8, 2007									

Activity 3: Reading a Paycheck

Queen's Bank
 96 Isabel Street
 Winnipeg, Manitoba
 695412

Robert J. Smith

Questions for Paycheck

1. How many hours did Yosef work?
2. How many weeks did Yosef work?
3. How much does he make per hour?
4. Does he work part-time or full-time?
5. What does CPP stand for?
6. What does EI stand for?
7. How much income tax does Yosef pay?
8. What are the total deductions?
9. What is the gross pay?
10. How often does Yosef get paid?
11. Was Yosef paid by check or direct deposit?
12. On what date did the pay period end?