

ABC Co. completed their payroll information for the weekly pay period January 14. Note that hours exceeding 40 are considered overtime and overtime premium is 50%.

Employees	Clock Card No.	Daily Times							Pay Rate	Income Tax	Medical Insurance	Union Dues	Year to Date Earnings
		M	T	W	T	F	S	S					
M. Jones	81	8	8	8	8	8	4	0	\$10.00	\$92.00	\$9.00	\$18.00	\$20,000
S. Heath	82	8	6	8	8	8	4	0	12.00	103.00	10.00	20.00	6,200
B. Smith	83	8	9	8	8	8	1	0	11.00	92.00	9.00	18.00	18,000
K. Lasmo	84	8	8	8	8	8	0	0	8.00	64.00	6.00	12.00	8,400

**Required:**

1. Record the relevant information in the proper columns of a Payroll Register and complete the register including all the deductions. Assume the first payroll cheque number is 230 and that the first employee is a sales person, the next two work in the shop, and the last one works in the office.
2. Prepare a General Journal entry to record the Payroll Register information.
3. Prepare a General Journal entry to record the employer's payroll taxes resulting from the payroll.
4. Prepare journal entries to accrue fringe benefits. The company matches employees' payments for medical insurance and contributes 10% of each employee's gross pay to a retirement program. Vacation pay is accrued at 4% of wages and salaries.

**\* Note:** In your calculations, you are to assume that the year 2000 rates apply where:

1. EI rate is 2.4%
2. CPP rate is 3.9%
3. CPP weekly exemption is \$67.30
4. Employers contribution for EI is 1.4 times the amount paid by the employee
5. Employers contribution for CPP matches the amount paid by the employee

Worksheets:

		Daily Times							Total Hours	OT Hours	Pay Rate	Earnings		
		M	T	W	T	F	S	S				Regular Pay	OT Premium	Gross Pay
Jones	81													
Heath	82													
Smith	83													
Lasmo	84													

Deductions						Payment		Distribution		
EI	CPP	Tax	Medical Ins.	Union Dues	Total Ded.	Net Pay	Ch No.	Office	Sales	Shop
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**GENERAL JOURNAL (G5)**

<b>DATE</b>	<b>ACCOUNT</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>
Jan 31				
	Explain:			

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Jan 31				
	Explain:			

Answer:

	Daily Times								Total Hours	OT Hours	Pay Rate	Earnings		
		M	T	W	T	F	S	S				Regular Pay	OT Premium	Gross Pay
Jones	81	8	8	8	8	8	4	0	44	4	\$10.00	\$440	\$20	\$460
Heath	82	8	6	8	8	8	4	0	42	2	12.00	504	12	516
Smith	83	8	9	8	8	8	1	0	42	2	11.00	462	11	473
Lasmo	84	8	8	8	8	8	0	0	40	0	8.00	320	0	320

Deductions						Payment		Distribution		
EI	CPP	Tax	Medical Ins.	Union Dues	Total Ded.	Net Pay	Ch No.	Office	Sales	Shop
11.04	15.32	92.00	9.00	18.00	145.36	314.64	230		460.00	
12.38	17.50	103.00	10.00	20.00	162.88	353.12	231			516.00
11.35	15.82	92.00	9.00	18.00	146.17	326.83	232			473.00
7.68	9.86	64.00	6.00	12.00	99.54	220.46	233	320.00		
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42.45	58.50	351.00	34.00	68.00		1215.05		320.00	460.00	989.00
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**GENERAL JOURNAL (G5)**

<b>DATE</b>	<b>ACCOUNT</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>
Jan 14	Office Salaries		320.00	
	Sales Salaries		460.00	
	Shop Wages		989.00	
	EI Payable			42.45
	CPP Payable			58.50
	Employee Tax Payable			351.00
	Medical Payable			34.00
	Union Dues Payable			68.00
	Payroll Payable			1,215.05
	Explain:   Record Payroll			

**GENERAL JOURNAL (G5)**

<b>DATE</b>	<b>ACCOUNT</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>
Jan 14	EI Expense		59.43	
	EI Payable			59.43
	CPP Expense		58.50	
	CPP Payable			58.50
	Explain:   Company portion			

**GENERAL JOURNAL (G5)**

<b>DATE</b>	<b>ACCOUNT</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>
Jan 14	Benefits Expense		281.66	
	Medical Payable			34.00
	RRSP Payable			176.90
	Vacation Pay Payable			70.76
	Explain:   Company Benefits			