

Lesson #: 4	Understanding Important Financial Tools - Introduction to Taxes	Time:
Curriculum Expectation(s): C2 (C2.1)		
<p>Learning Goal(s):</p> <ol style="list-style-type: none"> 1. Students will demonstrate an understanding of responsible management of financial resources (i.e. savings, credit, debt, budgeting). (#3 on our main learning goal list!) 2. Students will understand why as Canadians we are taxed and be introduced to income tax, tax brackets and sales tax. (*can be connected to the Civics course in Ontario - rights and responsibilities) 3. Students will be introduced to the available financial tools to help minimise taxes and increase gains for the future. 		
<p>Success Criteria:</p> <p>By being exposed to the what, why (purpose) of taxes and how important they are to our everyday life students will gain experience of the overall financial value of them and how it relates to their own paycheque.</p> <p>By exploring types of accounts and their benefits, students will gain knowledge of them as important financial tools to help them become financially responsible.</p> <p>Comparing TFSA's, RRSP's and RESP's will provide students the knowledge and tools to understand the benefits of accounts they may already currently have and/or open in the near future.</p> <p>Applying the knowledge of what is involved on an average pay statement, students will become exposed to income taxes, services and what their pay statement may look like in their first post secondary year.</p>		
Materials & Resources	Lesson Plan	Assessment for, as, and of Learning
<p>Chapter 5 Taxes Lesson 27 (p 77-78)</p> <p>Entry Ticket: Understanding Taxes</p>	<p>Minds On Activity</p> <p>Have students read, or read aloud Lesson 27 and complete the Entry Ticket: Understanding Taxes.</p> <p>Make sure to consolidate as a class in the end. This would also be a great activity to complete as groups on vertical spaces so that everyone can see everyone's thinking.</p> <p>Videos from CRA Consolidating Lesson 27 and 28: Learn about your taxes: The one about tax rates</p>	<p>Assessment AS and FOR Learning</p>
<p>Lesson 28 Tax Brackets (p 79-81)</p> <p>Lesson 29 and Worksheet:</p>	<p>Lesson & Activity</p> <p>Focus only on page 79 of Lesson 28 for the introduction.</p> <p>Working through the worksheet: Introduction to Financial Tools, progress to Lesson 29 - focusing on the ability to</p>	<p>Assessment AS Learning</p>

<p>Introduction to Financial Tools</p>	<p>minimise taxes you pay on employment and investment income to save for emergencies, retirement, and education.</p> <p>Students can complete the graphic organiser on their own, or as a group. This would even be a great jigsaw activity to dive deeper into each topic.</p> <p>Once all information has been gathered students will answer the reflection questions.</p> <p>Important information about filing taxes:</p> <ul style="list-style-type: none"> - Once you are officially hired, and receive a pay statement, make sure to complete government forms - EI will be taken out, and you will have a record of employment - Important to know if you make more than the minimal taxed salary, because you may owe taxes if none are being taken out, or if too much is being taken out you will be owed money back. - It will be good to file so that you will have access to electronic filing in the future. Your first tax filing will need to be by paper. <p>Next, in the consolidation part of the lesson, apply the knowledge of income tax to you, as a student!</p>	
<p>Video</p> <p>Exit Ticket: Understanding a pay statement</p>	<p>Consolidation & Next Steps</p> <p>Exit Ticket - Introduce with the video from CRA: Learn about your taxes: The one about your pay stub (note: now it is known as a pay statement if received electronically)</p> <p>Students will examine the case study and the pay statement provided for Chloe. They will match the number on the pay statement to its definition.</p> <p>Extension: Try it with your pay stub if you do get one from your job. How much would you receive on a return if you filed your taxes?</p> <p>Have students consider and complete the reflection questions.</p>	<p>Assessment AS and FOR and OF Learning</p>

Entry Ticket: Understanding Taxes

While reading Chapter 5, Lesson 27, answer the following prompts below. Make sure to show all of your work!

Prompts	Your work!
Define taxes and why our government collects them.	
How do we benefit as Canadians from the taxes paid?	
How does the government collect taxes?	
Using the same brackets as the author used on page 78, determine the Federal tax paid on a salary of \$100,000. *Note: there is also provincial tax, that is not covered in this example.	

Exit Ticket: Understanding a Pay Statement

After watching the [video](#) from the CRA, read the following bio and pay statement of Chloe. Your job is to match the number on the pay statement with the essential pay statement concepts.

Name:
Chloe

Job:
Boys & Girls Club

Salary:
\$16.55/hour

Bio:
Chloe is in high school, and has a part time job. She works three days a week at the Boys & Girls Club. Two of her shifts are during the school week, each are 4 hours, and one on the weekend, which is a 6 hour shift. Working a total of 14 hours a week she earns about \$232 per week. Chloe doesn't work all year around, she takes about a month off during the summer, making her earn \$11,121 a year. On Chloe's pay statement she can see deductions for income tax, EI and CPP. In Ontario and in Canada, Chloe is still below the amount you can earn before paying taxes. In order to get her tax refund, she will need to fill out a T1 form summarising her work, income, and deductions.

Example Pay Statement

Boys & Girls Club 123 Address St, City, ON, Canada				Statement of Earnings		
Chloe						
Employee ID		Pay Period Ending		Pay Date		Cheque Number
00123456789		2022/07/31		2022/08/07		007532
Earnings	Hours	Rate	Current Amount	Deductions		Year to Date
001 Basic Pay	28	16.55/hr	463.40	Income Tax	69.51	1042.65
				EI	9.27	139.05
				CPP	20.67	310.05
Summary		Gross Pay		Deductions		Net Pay
Current		463.40		99.45		363.95
Year to Date		6951		1491.75		5459.25

Complete the fill in the blanks with the information from the example by matching the number to the statement. The first one is done for you as an example.

1 Employer Information - your employer's details

_____ Employee Information - your personal details

_____ Pay Period - time period the pay stub covers

_____ Date Issued - date your pay is issued

_____ Gross Pay - your pay earned before deductions. If you are an hourly worker, this is calculated by multiplying the number of hours you worked by your hourly wage.

_____ Deductions - amounts deducted from your gross pay. Each type of deduction, such as income tax or EI premiums is listed individually

_____ Current Amount - income and deduction amounts from the current pay period.

_____ Year-to-date: Total income and deduction amounts from all pay periods in the current year.

Extension: if you have access to your pay statement, label the definitions and elements of a pay statement.

Reflect:

1. Determine any similarities and differences to Chloe's pay statement.

Thinking ahead:

2. If we thought ahead to your first post secondary year, and you had some kind of income, what would your pay statement look like?
3. Based on what you have learned today, is there a benefit to filing your income taxes now?