

# New PF1 Study Materials, PF1 Reliable Exam Dumps

Review for PF1 Final exam:

1. Zoya works in Saskatchewan and earns an annual salary of \$52,080, paid on a semi-monthly basis. What are Zoya's pay period earnings?  
 $\$52,080 / 24 = \$2170.00$
2. Ritchie earns an annual salary of \$65,400. He is paid biweekly. Calculate his pay period salary.  
 $\$65,400 / 26 = \$2515.38$
3. Brandon, who is employed by a company in New Brunswick, is paid weekly at a rate of \$21.00 per hour. This week he worked 43 hours. Calculate his gross pay for the pay period. New Brunswick has an overtime threshold of 44 hours per week.  
 $\$21.00 \times 43 = \$903.00$
4. Sanya earns \$17.10 per hour and works 75 regular hours per bi-weekly pay period. In addition, Sanya worked 3.5 overtime hours this pay period, which are paid at 1.5 times her regular hourly rate. She lives in Alberta and her federal and provincial TD1 claim codes are 2. Sanya will not reach the Canada Pension Plan or Employment Insurance annual maximums this pay period.
  - a) Calculate the employee's net pay  
 $Gross\ Earnings = (\$17.10 \times 75) + (\$17.10 \times 1.5 \times 3.5) = \$1282.50 + 89.78 = \$1372.28$   
Non-Cash Taxable Benefits = \$0  
 $CPP = (1372.28 - 134.61) \times 5.45\% = \$67.45$   
 $EI = 1372.28 \times 1.58\% = \$21.68$   
QPIP = \$0  
Federal Income Tax = 168.00  
Provincial Income Tax = 80.00  
 $Total\ Deductions = 67.45 + 21.68 + 168.00 + 80.00 = 337.13$   
 $Net\ Pay = 1372.28 - 337.13 = \$1035.15$

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## 100% Pass Quiz 2026 National Payroll Institute Marvelous New PF1 Study Materials

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## National Payroll Institute Payroll Fundamentals 1Exam Sample Questions (Q19-Q24):

### NEW QUESTION # 19

By the authority of which Act can the Canada Revenue Agency garnish the wages of an employee who has failed to pay Employment Insurance premiums, Canada Pension Plan contributions, or income tax deductions?

- A. The Income Tax Act
- B. The Creditors' Relief Act
- C. The Canada Pension Plan Act
- D. The Employment Insurance Act

**Answer: A**

Explanation:

The CRA's wage garnishment tool is commonly issued as a Requirement to Pay (RTP) (and related instruments such as ERTP/DTP), which directs a third party (often the employer) to redirect amounts that would otherwise be paid to the employee, and send them to the government instead. CRA guidance explains that when an employee owes money, the CRA can send the employer a requirement to pay notice, and the employer must remit the amounts as instructed (or the employer can become liable).

The legal authority for the CRA to issue a Requirement to Pay is found in the Income Tax Act, including section 224, which sets out the mechanism and consequences for non-compliance.

In payroll operations, this is a communication-and-compliance issue: payroll must correctly interpret the notice, apply the withholding/remittance as directed, and communicate impacts to internal stakeholders (HR /finance) and, where appropriate, the affected employee-while ensuring the remittance is made exactly as the CRA notice requires.

### NEW QUESTION # 20

Expense reimbursements are:

- A. Values attributed to something the employer has either provided to an employee or paid for on an employee's behalf
- B. Dollar amounts the employer pays for the work an employee performs
- C. Dollar amounts paid to employees to cover expenses that they incur while performing their job
- D. Dollar amounts paid to employees for the use of their personal property for business purposes

**Answer: C**

Explanation:

An expense reimbursement is paid to repay an employee for actual business expenses the employee incurred while performing their job (for example, meals while travelling on business, supplies purchased for work, etc.). CRA's taxable benefits guidance distinguishes reimbursements from allowances: an allowance is usually a predetermined amount paid without the employee having to support the expense with receipts, while a reimbursement is tied to actual costs.

That distinction matters because reimbursements are generally not compensation for work performed (so they are not "earnings"), and they are not "benefits" in the sense of a good or service provided by the employer (though CRA notes that benefits can include reimbursements of personal expenses-so payroll must still ensure the reimbursement is for business use and properly supported).

Option A correctly describes reimbursements. Option B is typically an allowance (for example, a vehicle allowance for using personal property). Option C describes earnings (wages/salary). Option D describes benefits (value of something provided or paid for on the employee's behalf).

### NEW QUESTION # 21

(PF1 Exam - Net Pay Calculation Template Worksheet: Quebec)

Question ID: pfl-exam-npc-q-f

Mara Poirier works for Affordable Transport in Quebec and earns an annual salary of \$54,500.00, paid on a semi-monthly basis.

In addition to her regular salary, Mara's employer provides the following benefits:

Group term life insurance coverage through a third party of two times her annual salary.

Monthly group term life insurance premiums are \$0.57 per \$1,000.00 of coverage, excluding taxes.

Private health insurance benefits with a monthly premium of \$260.00, excluding taxes.

The tax on insurance premiums in Quebec is 9%.

Mara's federal TD1 claim code is 3 and her provincial TP-1015.3-V deduction code is C.

Mara will not reach the annual maximums for QPP, EI, or QPIP in this pay period.

Required: Calculate Mara's net pay, following the order of the steps in the net pay template.

EXHIBIT A - Net Pay Template (Fill in all blanks)

Earnings / Income Bases

⌵

- Step 1 - Calculate Mara's gross earnings for this pay period (GTE).  
[ \_\_\_\_\_ ]
- Step 2 - Calculate the pensionable earnings (PE).  
[ \_\_\_\_\_ ]
- Step 3 - Calculate the insurable earnings (IE).  
[ \_\_\_\_\_ ]
- Step 4 - Calculate the net taxable income (CRA) (NTI).  
[ \_\_\_\_\_ ]
- Step 5 - Calculate the net taxable income (RQ) (NTI).  
[ \_\_\_\_\_ ]
- Step 6 - Calculate Mara's Quebec Pension Plan (QPP) contribution.  
[ \_\_\_\_\_ ]
- Step 7 - Calculate Mara's Employment Insurance (EI) premium.  
[ \_\_\_\_\_ ]
- Step 8 - Calculate Mara's Quebec Parental Insurance Plan (QPIP) premium.  
[ \_\_\_\_\_ ]
- Step 9 - Determine Mara's federal income tax.  
[ \_\_\_\_\_ ]
- Step 10 - Determine Mara's Quebec provincial income tax.  
[ \_\_\_\_\_ ]
- Step 11 - Calculate Mara's total deductions.  
[ \_\_\_\_\_ ]
- Step 12 - Calculate Mara's net pay.  
[ \_\_\_\_\_ ]

**Answer:**

**Explanation:**

See the Explanation part for answer for each step.

**Explanation:**

Step 1 - Mara's gross earnings / taxable earnings components

$$\text{Semi-monthly salary} = \$54,500.00 \div 24 = \$2,270.83$$

$$\text{Life insurance coverage} = 2 \times \$54,500 = \$109,000$$

$$\text{Monthly premium (excl. tax)} = 109 \times \$0.57 = \$62.13$$

$$9\% \text{ insurance premium tax} = \$62.13 \times 1.09 = \$67.72$$

$$\text{Semi-monthly taxable benefit} = \$67.72 \div 2 = \$33.86$$

$$\text{Health premium (excl. tax)} = \$260.00$$

$$9\% \text{ insurance premium tax} = \$260.00 \times 1.09 = \$283.40$$

$$\text{Semi-monthly taxable benefit (Quebec)} = \$283.40 \div 2 = \$141.70$$

$$\text{GTE (total taxable in Quebec)} = 2,270.83 + 33.86 + 141.70 = \$2,446.39$$

Step 2 - Pensionable earnings (PE)

For this calculation, treat salary + taxable group term life as pensionable for QPP withholding, while EI remains non-insurable for non-cash benefits.

$$\text{PE} = 2,270.83 + 33.86 = \$2,304.69$$

Step 3 - Insurable earnings (IE)

$$\text{IE} = \text{salary only} = \$2,270.83$$

Step 4 - Net taxable income (CRA) (NTI)

Federal taxable income uses salary plus taxable benefits used for federal withholding tables here.

$$\text{NTI (CRA)} = \$2,304.69$$

Step 5 - Net taxable income (RQ) (NTI)

$$\text{NTI (RQ)} = \$2,446.39$$

Step 6 - QPP contribution

Use the QPP employee rate (basic + additional) and apply the basic exemption prorated per pay period.

$$\text{Basic exemption per semi-monthly period} = \$3,500 \div 24 = \$145.83$$

$$\text{Contributory earnings} = \text{PE} \# 145.83 = 2,304.69 \# 145.83 = \$2,158.86$$

$$\text{QPP} = 2,158.86 \times 6.4\% = \$138.17$$

$$\text{QPP} = \$138.17$$

Step 7 - EI premium

Quebec EI employee rate for 2026: 1.30%.

$$\text{EI} = 2,270.83 \times 0.0130 = \$29.52$$

Step 8 - QPIP premium

Use the Revenu Quebec employee QPIP rate shown for 2026.

QPIP =  $2,270.83 \times 0.00430 = \$9.76$

Step 9 - Federal income tax

From the CRA Quebec federal tax deductions table (24 pay periods), at pay \$2,304.69 (range 2288-2306) and claim code 3, the federal tax is:

Federal tax = \$139.95

Step 10 - Quebec provincial income tax

From TP-1015.TI.24 (24 pay periods) at remuneration \$2,446.39 (range 2445.00-2464.99) and deduction code C, the tax is:

Quebec tax = \$214.81

Step 11 - Total deductions

QPP 138.17

EI 29.52

QPIP 9.76

Federal 139.95

Quebec 214.81

= \$532.21

Total deductions = \$532.21

Step 12 - Net pay

Net pay is based on cash pay (salary) minus deductions (tax still applies even when part of taxable income is a benefit).

Net pay =  $2,270.83 - 532.21 = \$1,738.62$

### NEW QUESTION # 22

Which of the following types of payments made by a private organization would not be subject to all statutory deductions?

- A. Directors' fees
- B. Vacation pay when no time was taken
- C. Performance bonus
- D. Retroactive adjustment

**Answer: A**

Explanation:

The payment type most clearly not subject to all statutory deductions is directors' fees. CRA guidance on directors' fees shows they are treated as a special payment with distinct deduction rules, and (depending on the situation) they may not have CPP, EI, and income tax all apply in the same way as normal employment earnings.

By contrast, retroactive adjustments and performance bonuses are treated as taxable remuneration where CRA's tools (like PDOC) calculate CPP contributions, EI premiums, and income tax on those payments (up to annual maximums).

"Vacation pay when no time was taken" is also treated as a non-periodic payment and is included in CRA payroll deduction formulas as a type of amount on which statutory deductions are calculated (again, subject to annual maximums for CPP/EI).

So, among the options listed, directors' fees are the one that would not necessarily be subject to all statutory deductions in the standard way.

### NEW QUESTION # 23

Phillip is being paid a severance payment with his final pay. Which block should this payment be reported on the Record of Employment?

- A. Block 17C only
- B. Blocks 15B and 17C
- C. Block 15C only
- D. Block 15B only

**Answer: A**

Explanation:

On the ROE, separation payments are reported in Block 17. Service Canada explains that Block 17C - Other monies is used to record "any other payments or benefits...paid...because of the separation," whether or not they are insurable.

The ROE Guide specifically lists "Severance pay" as a type of separation money to enter in Block 17C ("Enter 'Severance pay' and the amount").

Crucially, Block 15B and Block 15C are for insurable earnings totals/by pay period. The ROE Guide notes that some amounts

