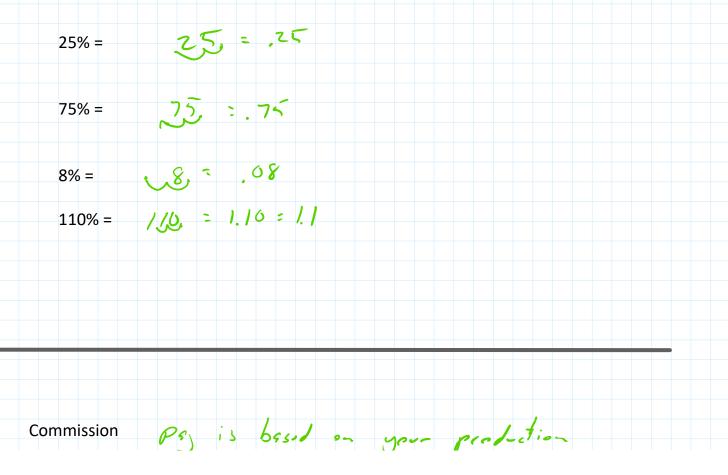
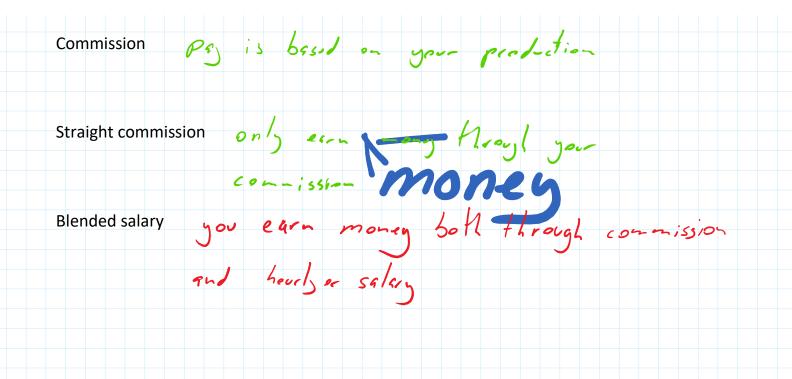
What You Will Learn

- Explain how to calculate commission.
- Describe how to calculate earnings for an independent contractor.
- Explain how to calculate earned and unearned income.

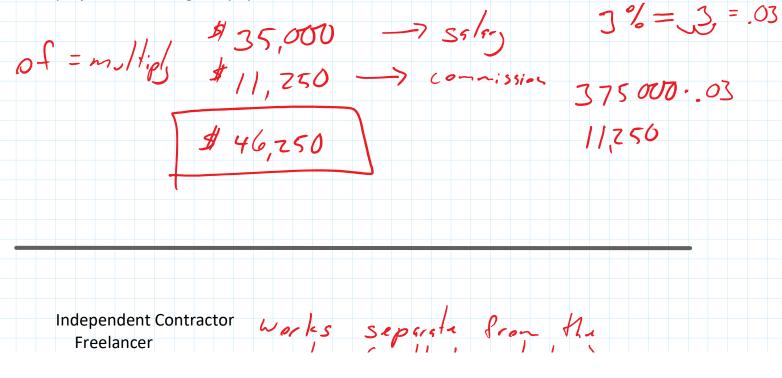
Convert percentages to decimals:

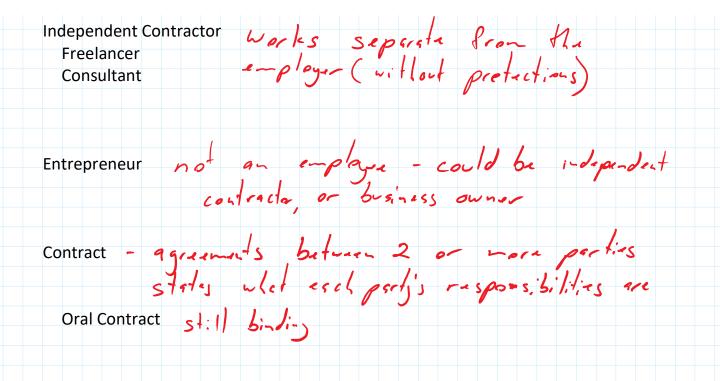




Annual gross pay = annual salary + commission

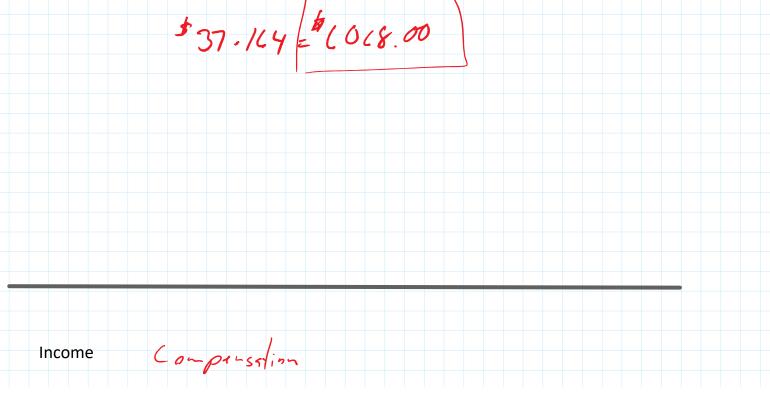
Jonathan is a sales representative for a book company. He earns a base annual salary of \$35,000 plus a 3% commission of all sales that he makes. This year, Jonathan is on target to make about \$375,000 in sales. Calculate Jonathan's projected annual gross pay.





Contract earnings = hourly rate x number of hours

Brian is an independent contractor who develops software. He has a contract with a software company to work at a rate of \$37 per hour. Brian worked 164 hours during May. Calculate his contract earnings for that month.



Income Compression

Earned income income you worked for hourly way-s, stary

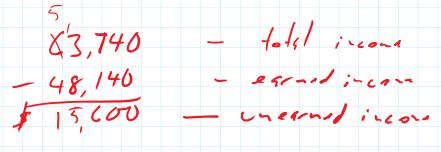
Unearned income

Unearned income = total income - earned income

Rosie is a graphic designer whose annual salary is \$48,140. She also owns rental properties that generate income annually. Rosie's total income last year was \$63,740. What was Rosie's unearned income for the year?

bonuses, rendel income

anything you did not earn for working



Total income = earned income + unearned income

Mikhail works as a waiter in a restaurant while attending college. Last year, his annual salary was \$6,708. He also earned an additional \$11,532 in tips. Mikhail also received a scholarship of \$2,500 to cover room and board. What was Mikhail's total income for last year?

