Lesson 5-3
Commissions, Royalties, and Piecework Pay

Objective:
Compute

Compute

Compute

Ways to get paid for completed work rather than hours:
- Commissions
  - You can be either an _____ _____ whose pay is based on _____
  - Example:
- Royalties
  - You are an _____ _____ who makes money based on _____ of their work
  - Example:
- Piecework Pay
  - You can be either an _____ _____ who gets paid for _____ _____
  - Example:

Example 1
Adrianna wrote a textbook for high school students. She receives a 10% royalty based on the total sales of the book. The book sells for $47.95, and 17,000 copies were sold last year. How much did Adrianna receive in royalty payments for last year?

COMMISSION & ROYALTY with No Tiers Formulas:

Total sales = # of items sold x price
Royalty = % royalty x total sales

Example 1 – You try it!
Xander writes math textbooks that sell for $128 each. He receives 8% commission on each book sale. Express the total amount of income Xander earns from selling 2,400 books.

Example 2
Allison sells cosmetics part-time from door-to-door. She is paid a monthly commission. She receives 11% of her first $900 in sales and 17% of the balance of her sales. Last month she sold $1,250 worth of cosmetics. How much commission did she earn last month?

COMMISSION & ROYALTY with Tiers Formulas:

1st tier pay = 1st tier % x 1st tier sales
2nd tier sales = total sales – 1st tier level
2nd tier pay = 2nd tier % x 2nd tier sales
Total pay = 1st tier pay + 2nd tier pay

Example 2 – You try it!
Arthur sells electronics on commission. He receives 7% of his first $1,500 in sales and 10% of the balance of his sales. Last week he sold $4,300 worth of electronics. How much commission did he earned last month?

Example 3

Kate works in a dress factory that makes dresses for designer boutiques. She is paid a piecework rate of $85 per unit (piece) produced. Yesterday she made 3 dresses. How much did she earn?

> **PIECEWORK with No Tiers Formula:**
>
> Total piecework pay =
>   # of items completed x per unit pay

Example 4

Tony picks strawberries and gets paid at a piecework rate of 45 cents per container for the first 200 containers picked. He receives 65 cents per container for every container over 200 that he picks. Last week, Tony picked 270 containers. How much did he earn?

> **PIECEWORK with Tiers Formula:**
>
> 1st tier pay = 1st tier unit pay x 1st tier units completed
>
> 2nd tier units = total units completed – 1st tier units
>
> 2nd tier pay = 2nd tier unit pay x 2nd tier units completed
>
> Total pay = 1st tier pay + 2nd tier pay