

Understanding your payslip



What things mean and how to understand the format of your payslip

Sometimes all the numbers on your payslip can be a little confusing! Hopefully, our simple guide will help explain what everything on your payslip means. Not all payslips look the same as our example below but they should include all the same information.

Affordable. Flexible. Fair.

AN EXAMPLE PAYSリップ

1 Staff No. AB123456 Mr William Shakespeare 25/01/2025		2																									
Your Company Limited		Tax Period: Month No. 5																									
<table border="1"> <thead> <tr> <th>Payments</th> <th>Qty</th> <th>Rate</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td></td> <td></td> <td>2,008.33</td> </tr> <tr> <td colspan="3">Total Gross Pay</td> <td>2,008.33</td> </tr> </tbody> </table>		Payments	Qty	Rate	Amount	Salary			2,008.33	Total Gross Pay			2,008.33	<table border="1"> <thead> <tr> <th>Deductions</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>PAYE Tax</td> <td>233.33</td> </tr> <tr> <td>NI</td> <td>169.40</td> </tr> <tr> <td>Pension</td> <td>50.00</td> </tr> <tr> <td>Student Loan (Plan X)</td> <td>10.00</td> </tr> <tr> <td>Total Deductions</td> <td>442.73</td> </tr> </tbody> </table>		Deductions	Amount	PAYE Tax	233.33	NI	169.40	Pension	50.00	Student Loan (Plan X)	10.00	Total Deductions	442.73
Payments	Qty	Rate	Amount																								
Salary			2,008.33																								
Total Gross Pay			2,008.33																								
Deductions	Amount																										
PAYE Tax	233.33																										
NI	169.40																										
Pension	50.00																										
Student Loan (Plan X)	10.00																										
Total Deductions	442.73																										
<table border="1"> <tbody> <tr> <td>NI No.</td> <td>AB 12 34 56 C</td> </tr> <tr> <td>NI Rate:</td> <td>A</td> </tr> <tr> <td>Tax Code:</td> <td>4321A</td> </tr> <tr> <td>Payment Method</td> <td>BACS</td> </tr> </tbody> </table>		NI No.	AB 12 34 56 C	NI Rate:	A	Tax Code:	4321A	Payment Method	BACS	<table border="1"> <thead> <tr> <th>Net Pay</th> </tr> </thead> <tbody> <tr> <td>1,620.60</td> </tr> </tbody> </table>		Net Pay	1,620.60														
NI No.	AB 12 34 56 C																										
NI Rate:	A																										
Tax Code:	4321A																										
Payment Method	BACS																										
Net Pay																											
1,620.60																											
To Date Totals																											
Employee		Employer																									
Gross Taxable:	10,041.65	Employer's NI	522.65																								
Gross NIable:	10,041.65	Employer's Pension:	375.00																								
PAYE Tax:	1,166.65																										
NI:	847.00																										
Student Loan:	50.00																										
Stat Sick Pay:	0.00																										
Employee Pension:	250.00																										
Net Pay:	8,103.00																										

5

6

7

8

1

2

3

4

9

10

11

- 1 **Your staff, payroll or employee number.**
- 2 **Date the payslip was issued** – usually the same date you get paid on.
- 3 **Payments** – all the money you are receiving, before any deductions. This could include:
 - Your salary or wages before tax (called your Gross pay);
 - Any Statutory Sick Pay, if you have been off work for a period and received sick pay;
 - Any expenses you have claimed (these won't be taxed though);
 - Any bonuses or commission you earn.
- 4 **Deductions** – all the amounts taken off your pay before you get it. It could include:
 - Tax. This is called 'Pay As You Earn' or PAYE. The amount of tax you pay will depend on your tax code and how much you earn.
 - NI – your National Insurance contribution. NI is used to pay for the NHS, your state pension and benefits.
 - Pension – since 2017, all companies have had to auto enrol their staff in a private pension scheme. You pay at least 5% of your wages into your workplace pension.
 - Student Loan – if you have had a student loan, the repayments will be automatically taken off your pay when you start earning above a certain level.
 - There may be other deductions, such as season ticket loans etc.
- 5 **NI No.** This is your National insurance number and is used so that His Majesty's Revenue & Customs (HMRC) know you're paying the right amount of tax and NI.
- 6 **NI Rate** –there are different levels of National Insurance rates depending on your age, whether you have another job and other reasons. Most people are on rate A.
- 7 **Tax Code** – this is sent to you and your employer each year and shows how much tax you have to pay. See our Information Sheet on "Understanding your Income Tax and Tax Code."
- 8 **Pay method** – how you will get your pay. In most cases it will be by BACS (a way of electronically transferring money) directly into your bank account.
- 9 **Net Pay** – this is the amount you actually receive.
- 10 **To Date Totals** – these are the total amounts you have been paid or had deducted during the current tax year, which runs from 6 April – 5 April the following year.
- 11 This is the totals your employer has paid on your behalf for the current tax year.

Final Thoughts

You should keep your payslips safe and secure as they contain personal income that could be used by criminals to carry out ID theft or fraud.

They can be handy when applying for loans to show how much you earn and as proof of your identity.

HMRC suggest you should keep your payslips for three years.

Start today,
and give your future self
the gift of financial freedom!

TEL: **0113 242 3343**
Monday-Friday 9am – 4pm

leedscreditunion.co.uk