

What should I see on my payslip?



The format of payslips can be very variable, but understanding the entries lets you check whether you are paying the correct amount of tax.

By law, there are several things you should see on a payslip:

- gross amount of pay for this pay period
- tax deducted from gross pay
- National Insurance contributions (NIC) deducted from gross pay
- any other deductions from gross pay, suitably itemised, for example pension contributions or student loan repayments.
- net amount of pay for this pay period (this is your take home pay)
- how the wages are to be paid.

Most payslips also include the following:

- your National Insurance number
- your employer's reference
- totals of gross pay, tax deducted, NIC deducted and other deductions on a cumulative basis for the tax year to date.

REMINDER

What things should you be checking?

- Are your name and National Insurance number correct?
- Was the sum actually paid to you? You may need to check your bank statement
- Was the gross pay calculated correctly? You may need to check hours worked and the rate of pay. To check you are being paid at least the minimum wage, you can check with our [factsheet](#).
- What tax code is being applied to your earnings? If you are not sure what this should be, then check our [coding notice page](#).
- What deductions have been made other than tax and NIC? You should check that any other deductions have been properly authorised by you.

What other deductions might be made?

- Pension contributions, if you are a member of a workplace scheme, including schemes introduced as a result of auto-enrolment
- Student loan repayments
- Anything else that you have authorised your employer to deduct (for example costs of disclosure checks, uniforms or union costs)
- If you are concerned that an unauthorised deduction has been made from your wages, you should look at [GOV.UK](#).

Keeping your payslips

Even after you have checked the net amount of pay against your bank statement or pay packet, you should keep your payslips to ensure the totals shown on [form P60](#) at the end of the tax year agree with the sums actually paid. After that, there is no need to keep your payslips for tax purposes, but bear in mind that you may need to produce payslips if you apply for a loan, for example.



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What should I look for on my payslip?

Employee Name	Employee ref no	Employer name/ref
J Schmidt	379	Any employer xxx/xxxxxxx
Payments	Deductions	To Date
88 hours @ £12.50 £1,100.00	Income tax £11.67	Taxable £3,300.00
1	National Insurance £45.72	Tax £35.00
		Nat Ins £137.16
		Eers NI £157.73
		NI code A
		pay date 19/06/30
		pay period 3
		tax code 1250L
		NI no AB 12 34 56
		Paid by BACS
TOTAL £1,100.00	TOTAL £57.39	NET PAY £1,042.61

1. Check hours and hourly rate give total pay.
2. Deduction for tax this month. Remember tax is calculated on a cumulative basis unless your code number ends in WK1 or M1.
3. Deduction for NIC this month. Remember NIC is calculated separately for each pay period. This can be checked as follows:

Pay this month	£1,100.00
Monthly NIC threshold	<u>£719.00</u>
Amount liable to NIC	<u>£381.00</u>
NIC due at 12%	<u>£45.72</u>

4. Gross pay less deductions gives net pay: this will be the amount you actually receive.
5. Tax code is 1250L (this is the full personal allowance of £12,500 for the 2019/20 tax year set against this source of income).
6. This is total pay received in the tax year to date, for example from 6 April 2019.
7. This is total tax deducted for year to date and may be checked as follows:

Pay to date	£3,300
Tax free pay to date	£3,125(3 months divided by 12 months X £12,500 personal allowance)
Taxable pay to date	<u>£175</u>
Tax due at 20%	<u>£35.00</u>

8. This is the total NIC payable by the employee to date and is the sum of each monthly deduction.
9. This is the total NIC payable by the employer and has no effect on net pay for the employee.

This illustration is for workers who do not pay [Scottish income tax](#) or [Welsh income tax](#).

This factsheet is intended to provide general information only and does not constitute advice. Before taking any action, you should get appropriate immigration, benefit or tax advice, which is based on your particular circumstances, from a professional adviser. We have done our best to ensure that the information in this factsheet is up to date as of April 2019. You can read our full disclaimer on our website: <https://www.taxguideforstudents.org.uk/about/legal>.