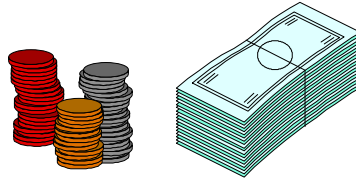


# Pay Slips

Data Sheet 1



**Student – vacation job**

**Pay slip for one week**

<b>NAME</b> Bright, Ben		<b>REG NO.</b> BRIB	<b>NI NUMBER</b> JB-53-17-02-P		<b>NHI CODE</b> A	<b>TAX CODE</b> 433L	<b>TAX WEEK</b> 15	<b>WEEK ENDING</b> 160799	<b>PAY DATE</b> 230799
<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>	<b>PAYMENTS</b>		<b>TAX</b>		<b>DEDUCTIONS</b>		<b>NON-TAX ALLOWANCES</b>
36.75	4.00	147.00	Gross Pay	147.00	Free Pay	4339.00	National Insurance	8.15	0.00
			Gross to date	582.68	Tax this Week	0.00	Deductions	1	<b>NET PAY</b>
					Tax to Date	0.00	Total Deductions	8.15	<b>138.85</b>

**Public Sector Employee - Education**

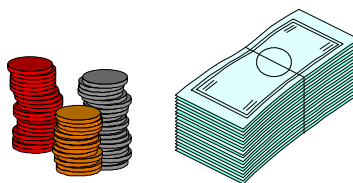
**Pay slip for one month**

<b>NAME</b> Ms F Rowe		<b>STAFF NO.</b> 197452		<b>DEPT. CODE</b> AX	
<b>NI CODE</b> D		<b>NI NO.</b> YU634219D		<b>TAX PERIOD</b> 04/99	
<b>TAX OFFICE:- DISTRICT:</b> MANCHESTER CASTLEFIELD		<b>REF. NO.</b> 092/M347B		<b>TAX CODE</b> 0433L C	
				<b>TEL</b> 0236 547824	
<b>PAY AND ALLOWANCES (- indicates a deduction)</b>					
<b>Description</b>	<b>Hours Worked</b>	<b>Hours Paid</b>	<b>Rate</b>	<b>Amount</b>	
BASIC SALARY				1 835.93	
S Award Arrears				186.30	
<b>TOTAL ALLOWANCES</b>				<b>2022.23</b>	
<b>CUMULATIVE FIGURES TO DATE</b>			<b>DEDUCTIONS (- indicates a refund)</b>		
<b>DESCRIPTION</b>	<b>AMOUNT</b>		<b>DESCRIPTION</b>	<b>AMOUNT</b>	
GROSS PAY	7343.72		INCOME TAX	295.86	
TAXABLE PAY	6242.15		NATIONAL INSURANCE	145.84	
SUPERANNUABLE PAY	7343.72		SUPERANNUATION	128.41	
INCOME TAX	1037.85		AVCs	174.92	
NATIONAL INSURANCE	520.78				
SUPERANNUATION CONTS	466.33				
			<b>TOTAL DEDUCTIONS</b>	<b>745.03</b>	
<b>PAY DATE</b> 31/07/99	<b>PAY METHOD</b>	BACS	<b>NET PAY</b>		<b>1 277.20</b>



# Pay Slips

Data Sheet 2



Private Sector Employee - Chartered Engineer

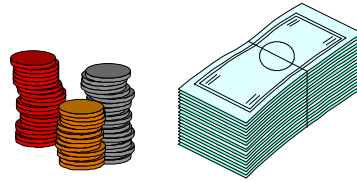
Pay slip for one month

Name				Payroll Number	Annual Salary
Dr Timothy Bone				2798451	45481.00
Tax Code	Basis	Period	Year	Balances	Value
641A	Cum	Jul	1999/2000	Gross Pay YTD	17594.11
				Taxable Pay YTD	15489.48
NI Number		Employee Pension %		PAYE YTD	3678.93
YD576403B		6.00		NI Employee YTD	632.00
				Employee Pension YTD	1007.63
				Pensionable Pay PTD	3790.09
Payments (D – deduction)		Value		Deductions (R – refund)	Value
Salary		3790.09		Pension Contributions	227.41
PRP Reduction		83.33	D	Pension Add. Service	29.56
PRP Payment 99		75.00		NI D	158.00
COS Allowance		167.00		PAYE	836.28
Overtime 7:00 @ 1.5		208.03		EMA	20.85
				Sports & Social Club	1.25
				Sharesave Scheme	250.00
				COS Repayment	286.30
				Building Society	250.00
				NE Benevolent Fund	0.13
				Insurance	10.40
Gross Pay this period		4156.79			
Payment	06032 111117	150.00		Total Deductions this period	2070.18
Accounts	30235 010934	1936.61		<b>Net Pay this period</b>	<b>2086.61</b>



# Pay Slips

Worksheet



- 1 What are Gross Pay, Taxable Pay and Net Pay?  
Which of these does the employee receive?
  
- 2 The following terms appear on the pay slips. Explain what you think they mean.
  - a Tax Code
  - b Tax Period
  - c Superannuation
  - d National Insurance
  
- 3 Some terms are abbreviated. What do the following letters stand for?
  - a PAYE
  - b YTD
  - c AVCs
  
- 4 The tax code on the first two pay slips contain the number 433, but that on the last pay slip is 641. Explain the reason for this.
  
- 5 Compare the three payslips.  
Describe the ways in which they are similar and the ways in which they differ.



<b>Teacher Notes</b>
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**Unit** Intermediate Level, Calculating finances

**Skills used in this activity:**

- reading information from pay slips
- comparing items on pay slips

**Preparation**

For the class you need:

- a copy of the data sheets (pages 1 and 2) for each student
- a copy of the worksheet (page 3) for each student (optional)

**Notes on the Activity**

The data sheets include three simulated pay slips for use in introducing some of the topics in the unit content. (Students with jobs could be encouraged to use their own pay slips.)

The worksheet is optional. It could be attempted by students individually or in groups at the beginning of the session to find out what they already know about the items which appear on pay slips. Alternatively the pay slips could be discussed in class and the worksheet used at the end to check that students have understood the main points.

**Answers to the Worksheet** (in brief)

- Gross Pay is payment before any deductions (eg income tax and National Insurance).  
Taxable Pay = Gross Pay - Tax Allowance  
Net Pay = Gross Pay - Deductions  
The employee receives Net Pay.
- Tax Code – abbreviated tax allowance
  - Tax Period – month covered (given by date or month number starting from April)
  - Superannuation – pension contributions
  - National Insurance – paid to government to cover social security costs etc.
- Pay As You Earn
  - Year To Date
  - Additional Voluntary Contributions
- The first two employees have only the single person's tax allowance, but the third employee has extra tax allowances.
- Many possibilities – a few given below

*Main Similarities*

All include similar entries eg employee details such as Name, NI Number etc and details of pay and deductions such as Gross Pay, Tax etc

*Main Differences*

First slip is for a week, the others for a month. Different amounts of tax paid - first employee does not pay tax at all, the third pays a lot (income tax at the highest rate).

The proportion of pay deducted varies from very little in the first slip to almost half in the second.

**Extensions**

It is expected that topics such as Income Tax, National Insurance and Superannuation will be studied in greater depth in later sessions.

