

✓ HMRC Compliant

✓ IR35 Compliant

FCSA
Accredited Member

✓ Online portal

✓ Dedicated support

 Payments Pro

 Payments Pro

Understanding Your Payslip

All the sections, what they mean & how your pay is calculated.

A payslip can at times be a confusing document. Below is a breakdown of our standard payslip to help you understand what you will usually see every time you are paid.

The First Section

Company Income received		Assignment Rate(s)				
		Units	Rate	Total	Agency/Description	Weekend Date
Company Income and Costs	1,403.84					
Apprenticeship Levy	6.01	13.50	34.00	459.00	Agency Name	08/05/2022
Employer's NI	154.41	12.00	27.90	334.80	Agency Name	08/05/2022
Employer's Pension	25.41	1.50	34.00	51.00	Agency Name	08/05/2022
Company Margin	17.00	13.50	41.41	559.04	Agency Name	08/05/2022

On the top-left is where you will find the **Company Income received** section. The **company income and costs** shows your total gross amount received for the week. All of the deductions found here are liable when working through an Umbrella company such as **Employer's NI contribution**, the **Apprenticeship Levy**, the **Employer's Pension contribution** (if applicable) and our **Company Margin** (our fee).

These deductions are paid to HMRC, except for our low weekly fee and the Pension contribution. The company margin is the only fee we take for our service.

The top-right is where you will find the name of the agency who provides your placements, your hours, and the rate that has been sent to us including the **Weekend Date** for the worked shifts.

This is the first place you should check if you believe there are some discrepancies to do with your hours, rate or number of days worked. What you see here is the information that was sent to us so always look here first if you believe you have been underpaid.

The Second Section

Employee Name	Employee Number	NI Number	Tax Code	Pay Date	Periods
Contractor Name	112	SC123456D	1257L	13/05/2022	1

Here you will find your name, your Payments Pro **Employee Number**, your **NI Number** and current **Tax Code** as well as the **Pay Date** and number of pay **Periods** the payslip is for. The **Weekend Date** in the section above should also reflect the number of pay periods noted here.

The Third Section

Payments			
Description	Units	Rate(£)	Amount(£)
Gross Pay	1.00	1,071.67	1,071.67
Holiday Pay	1.00	129.34	129.34
Total Payments			1,201.01

Deductions	
Description	Amount(£)
PAYE(Income tax)	221.40
Employee's NIC	110.56
Employee's Pension Deductions	42.35
Total Deductions	374.31

The total payment amount is the amount that is paid to you after all of the company deductions have been made, in the company income received box. This meaning the amount of tax and NI contributions deducted is calculated on this amount rather than the total gross figure which was paid by the agency. Your holiday pay is also displayed here and is included in the rate set by your agency. We do not retain or deduct holiday, it is always paid out to you and it is included everytime in your pay. It is up to you to put this aside or manage this.

The right shows **PAYE (Income tax)**, which is your tax deduction (the amount deducted is based on your tax code assigned by HMRC), **Employee's NIC**, your National Insurance contribution (13.25%) as well as your pension deduction (when applicable).

The total amount of employee deductions is shown next to **Total Deductions**.

Paid more than once in one week?

If you are paid more than once in one week you will see an addition underneath the main deductions **Net Pay Already Processed**. This amount will show the total amount paid to you so far in the same week/period. As pay periods are weekly or monthly, all HMRC calculations are based on the total gross wage earned in pay period, not per shift, therefore the amount previously paid is added to the deductions box to show to HMRC total earnings for the week/period as this is the information submitted to them.

PAYE(Income tax)	221.40
Employee's NIC	110.56
Employee's Pension Deductions	42.35
Net Pay Already Processed	227.53

The Forth Section

Payments Pro Ltd		This Period		Year to Date	
PAYE Reference	120/ZB63209	Total Taxable Pay	1,158.66	Total Taxable Pay	8,189.30
Tax Period	6	Earnings for NICs	1,201.01	Total Niable Pay	8,443.40
Period Ending	08/05/2022	Expenses	0.00	PAYE Income Tax	1,824.80
Pay Frequency	Weekly	Net Payment	826.70	National Insurance	703.57
				Total Payment (£)	826.70

The left is where you will find the information that pertains to the additional information presented to HMRC on each payroll.

The **PAYE Reference** is our ID on HMRC's records when we make our submission.

The **Tax Period** refers to the period in the tax year.

The **Period Ending** is the date for the tax week/month.

The **Pay Frequency** denotes the period for which your payroll is calculated, weekly or monthly.

In the centre you will find the information for the amount paid to you for this period be it weekly or monthly.

Total Taxable Pay is the amount paid that tax is calculated on.

Earnings for NICs is the amount your National Insurance is calculated on.

Expenses will be here if you meet the criteria to claim expenses.

Net Payment is the amount paid to you after deductions have been made and any expenses applied.

On the right is your total earnings for the tax year to date, **Total Taxable Pay**.

Total Niable Pay is the total amount that your National Insurance has been calculated on.

PAYE Income Tax is the amount of tax you have paid in this tax year so far.

National Insurance is the total amount of NI contributions you have paid in this tax year so far.

Total Payment (£) is the amount you should have received in your bank account.

Continue to the next page for information on how your Total Gross Pay is calculated...

Total Gross Pay

To give an idea on how this is calculated dummy payment information has been used to illustrate how an umbrella reconciliation statement and payslip will work. The figures have been reached via the following calculations:

1. The **Company Income and Costs** of £1,403.84 (**RED**) is calculated by the hours or days worked times the contractor's rate of pay.
2. The **Company Deductions** (**GREEN**) are then calculated which will then be deducted from the contractor's pay. This consists of **Employer's NI** (NIERS), **Company Margin** and **Employers Pension** (when applicable).
3. First the margin is removed which leaves £1,386.84, then NIERS which is 15.05% of everything over £183.00 per week. This is calculated on the paid to employee amount. In this case the NIERS is £154.41.
4. The pay is then split in **Payments** into **Gross Pay** and **Holiday Pay** (**BLUE**). The holiday pay is 12.07% of the gross pay. You do not need to add these together.
5. The **PAYE (Income tax)** is then calculated using the employees tax code (**YELLOW**).
6. The **Employee's NIC** (NI) is calculated on the paid to employee amount. NI is 13.25% of everything over £169 per week and then 2% of earnings over £962 per week (**YELLOW**).
7. If you are contributing to your pension, this will also be shown here (**YELLOW**).
8. This then leaves the **Total Payment (£)** shown at the bottom of the payslip. £826.70 (**PURPLE**) which is the final amount taken home.

Payments Pro Ltd Income Statement Contractor Name						
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PAYSリップ					
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Payments				Deductions	
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Total Payments			1,201.01	Total Deductions	374.31

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HMRC Deductions

Tax and your tax code

Unless you have provided us with your P45 from your last job, or completed a New Starter Form, you will be placed on the standard cumulative tax code 12570L. This will mean that you have an annual tax free allowance of £12,570.

Providing us with a P45 or New Starter Form is your responsibility and it will ensure that we can get you on the correct tax code for your first payslip. If you are in doubt regarding the amount of tax you pay or your tax code, you will need to contact HMRC directly as we have no control over your tax code or HMRC deductions.

HMRC tax code changes are common and sometimes can be a mistake by HMRC, as they can sometimes predict your earnings incorrectly. However with any tax code change you will need to contact HMRC directly as we do not hold authorisation and they will inform you if this is correct, or if any adjustment will be made to your tax code. If it is incorrect, we will receive a notification directly from HMRC usually within 72 hours and any overpaid tax will be refunded or will reflect in your tax free allowance.

Please note we cannot accept this from you directly, this information has to come from HMRC.

The Employer's NI Deduction

One of the most repeated questions is 'why do I pay the Employer's NI deduction?' If you have not been paid via an Umbrella Payroll company or have had your own Limited Company before, then this additional deduction can cause some confusion.

When a contractor is paid directly by the agency via their own in-house PAYE system, the only deductions they will most likely only see on their payslip will relate to TAX and Employees NI. What is not usually shown on their payslip is the amount of money that the agency is paying to HMRC in the form of NIEERS.

If you have experienced both forms of pay, PAYE and umbrella, you would have noticed that your rate is lower when paid in-house. This is because the agency is liable to pay the NIEERS contribution to HMRC.

In order to accommodate this, the National Insurance Employers Contribution is included in the contractor's PAYE rate so that the Umbrella can make the correct contribution on the contractor's behalf. The difference between the agency PAYE rate and the rate you receive when working with an Umbrella works out to around a 13.8% increase. But don't forget this is for the NIEERS contribution which all contractors are legally obliged to pay.

The reason you receive an uplifted rate when working through an umbrella company, is due to the savings the agency makes on no longer being liable for the Employers NI and other in-house payroll costs, as these are passed onto the contractor. The reason so many contractors chose Umbrella companies is because even with the additional costs, you should still receive more money compared to in-house PAYE due to the rate increase from the agency.

The Umbrella company has no control over the rates offered and these will always need to be discussed with your agency.

NIEERS must be paid to HMRC

Due to the small fee we charge it is not possible for us to cover this and that is why agencies increase your rate to cover NIEERS.

NIEERS is always submitted to HMRC no matter where you work it is just that the Umbrella is more transparent with showing the deductions and thus showing you where your money goes.

Apprenticeship Levy

The Apprenticeship Levy is passed on to the contractor as the payroll figures which the levy is based on, does not fairly represent the actual scale of the business.

Accessing your payslip

Using the online portal

If you are using a browser on a laptop or desktop computer visit <https://paymentspro.mydigitalaccounts.com/>.

In the browser window you should see **Payroll History**, click this to view all of your payslips.

Using a mobile device

You can use a browser with the URL above to access your portal but you can, more conveniently, use our dedicated mobile app.

To download the app [click here for the IOS/ Apple App](#) or [here for the Android App](#) or search for **My Digital Accounts – Umbrella** on your devices app store.

You can log into the app using the email address you used to register with us as your username, and the password you have set up for access. If you do not remember your password please click **Forgot Password** so you can reset it.

Once you are in the app you will have the option to view your Payroll History where you will find your payslips, your P60's or P45 when available as well as any expense claims (only applicable to certain contractors who meet the criteria).

Once in your **Payroll History** you will see an overview of each payslip for each pay period. This is comprised of the pay date, gross pay, tax paid (PAYE) and total pay (Net pay).

You will also have the option to download your payslip to the device you are viewing it on or alternatively, email it to yourself.

Viewing payslips emailed to you

Payslips emailed to you will be in a password protected PDF file that will require a password to be opened. The automated password is set as your [DOB + Post code] where DOB in the format DDMMYYYY, and any letters that form part of the Postcode should be in uppercase with no spaces. For example, 21051964SK87AZ

If you are using a browser on a laptop or desktop computer this should be pretty straightforward, just click the payslip you want to view and enter your password and it should open in the browser or if you have it installed, it may open in Adobe Reader.

When using a mobile device, before trying to view your payslip please ensure that you have [Adobe Reader](#) or an equivalent PDF reader installed on your device. Enter your password when prompted.



If you have any further questions that we can help you with please get in touch by sending us an email on info@paymentspro.co.uk

Alternatively you can give us a call on **020 3819 7220**