## **Guidance – Understanding your payslip**



Created: May 2024

## 1. Purpose

All employees are entitled to an individual, detailed written payslip on or before the date they are paid.

The written payslip doesn't have to be on paper, it can be sent to you via email or accessed through a secure online portal.

The right to a payslip also applies to casual staff, but does not apply to independent contractors or people working freelance.

This guidance is to help you understand the different sections of your payslip. It is important to keep your payslip in a safe place for the following reasons:

- Security payslips contain a lot of personal information about you and your earnings, including your National Insurance number. Keep them safe to help avoid them being used for identity fraud.
- 2) **Recordkeeping** it's a good idea to keep a record of all your earnings and tax payments in case there's a problem and you need to check old details.
- 3) **Evidence of earnings** for some financial products, such as loans, you might be asked to prove your earnings by showing your last three payslips.

### 2. Your payslip

When you log into MyView you can view and download your payslips. Your payslip is split into sections consisting of your personal details and pay information.

#### Section 1

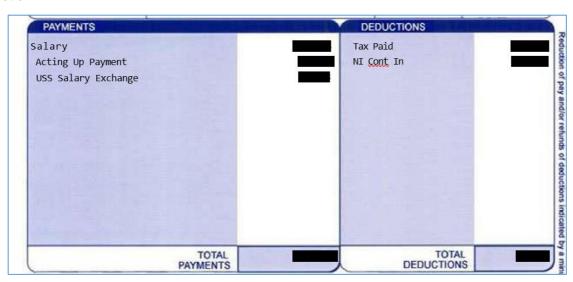
28/02/2024	PAYROLL REF	NAME			WEEKMONTH NO
EMPLOYER University of	Nottingham Main	Payroll	t	DEPARTMENT	7
PAY METHOD BACS/FPAY	1257L	NI NUMBER	NI CODE		

Version	1
Last Reviewed	May 2024
Responsible Team	Payroll

This section will detail the following information:

- Date the date your pay should be credited to your bank account
- Payroll ref your individual payroll/employee number
- Name your full name
- Week/month no the pay period reference. The number here represents the tax period for that payslip, for example 01 is April and 12 is March
- Employer/department the name of your employer and the area that you work in
- Pay method how you will be paid, typically this is via bank transfer (BACS)
- Tax code this is sent to you by HM Revenue & Customs (HMRC) and is a combination of numbers and letters. This code tells us how much tax-free pay you should get before deducting tax from the rest. It is important to check this as if the code is wrong you could be paying too much or too little tax. If you believe that your tax code is incorrect then you will need to speak to HMRC
- National Insurance Number (NI)/code you must have an NI number or be in the process of applying for one, to work in the UK. This is your unique number, throughout your life, that is 9 digits long, starting with two letters, followed by six numbers and one letter, for example AB123456C. It's used to make sure all your contributions are recorded properly and helps to build up your entitlement to state benefits such as a pension

#### Section 2



This section has the following information:

- Payments This is usually on the left-hand side of the payslip and will show how much you
  have earned in wages before any deductions are made (also referred to as gross payment).
   This is itemised and would typically include:
  - Your basic pay
  - Your hourly rate and the number of hours worked
  - o Extra payments such as acting up, bonus, commission, additional hours, or overtime
  - Expense payments owed to you
  - Pension salary exchange, for example USS
  - Any benefits that are part of the salary exchange, for example cycle to work scheme, annual leave purchase scheme, medical insurance
  - Any occupational pay entitlements, such as sick, maternity, paternity, shared parental, and adoption

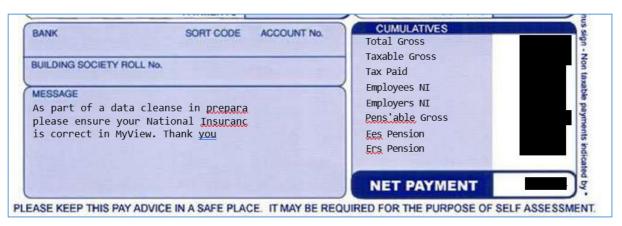
 Any statutory payments such as Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP), Statutory Paternity Pay (SPP), Share Parental Pay (SHPP) and Statutory Adoption Pay (SAP)

The total of these payments is shown at the bottom of this section

- Deductions This is usually on the right-hand side of your payslip and will show the deductions made from your wages. This is itemised and shows the amount of tax and National Insurance deductions made. This could include other deductions such as:
  - o Subscriptions for example trade union subscription, gym membership
  - o Student loan
  - Court orders such as child maintenance
  - Other benefits that are not part of the salary exchange for example non-salary sacrifice pension, season loan tickets

The total of these deductions is shown at the bottom of this section

## Section 3



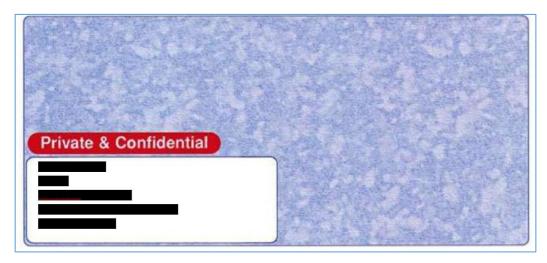
This contains the most important figure on your payslip which is the amount you are paid after the deductions have been made, which is shown in the net payment box.

There is also a space on the payslip when you can view important messages which could be extra information about your pay or other information shared by the payroll team.

The cumulative section is a summary of how much you have been paid in the current financial/tax year, broken down as follows:

- Total Gross this is the total gross payment made to date
- Taxable Gross this is the amount of your earnings that have been taxed
- Tax Paid this is the amount of tax paid to date
- Employees NI the amount of NI contributions you have made to date
- Employers NI the amount of NI contributions the employer has made to date
- Pensionable Gross your gross earnings used to calculate the pension contributions
- Employees' Pension the amount of pension contributions you have made to date
- Employers Pension the amount of pension contributions your employer has made to date

# Section 4



This section contains a box that displays your name and home address.

- 3. Associated documents, appendices and resources
- If you have a query about your payslip, please contact <a href="mailto:BB-Payroll@nottingham.ac.uk">BB-Payroll@nottingham.ac.uk</a>.
- For further information about your tax visit the <u>HMRC web site</u>.
- For further information about your <u>national insurance</u> visit the HMRC web site.