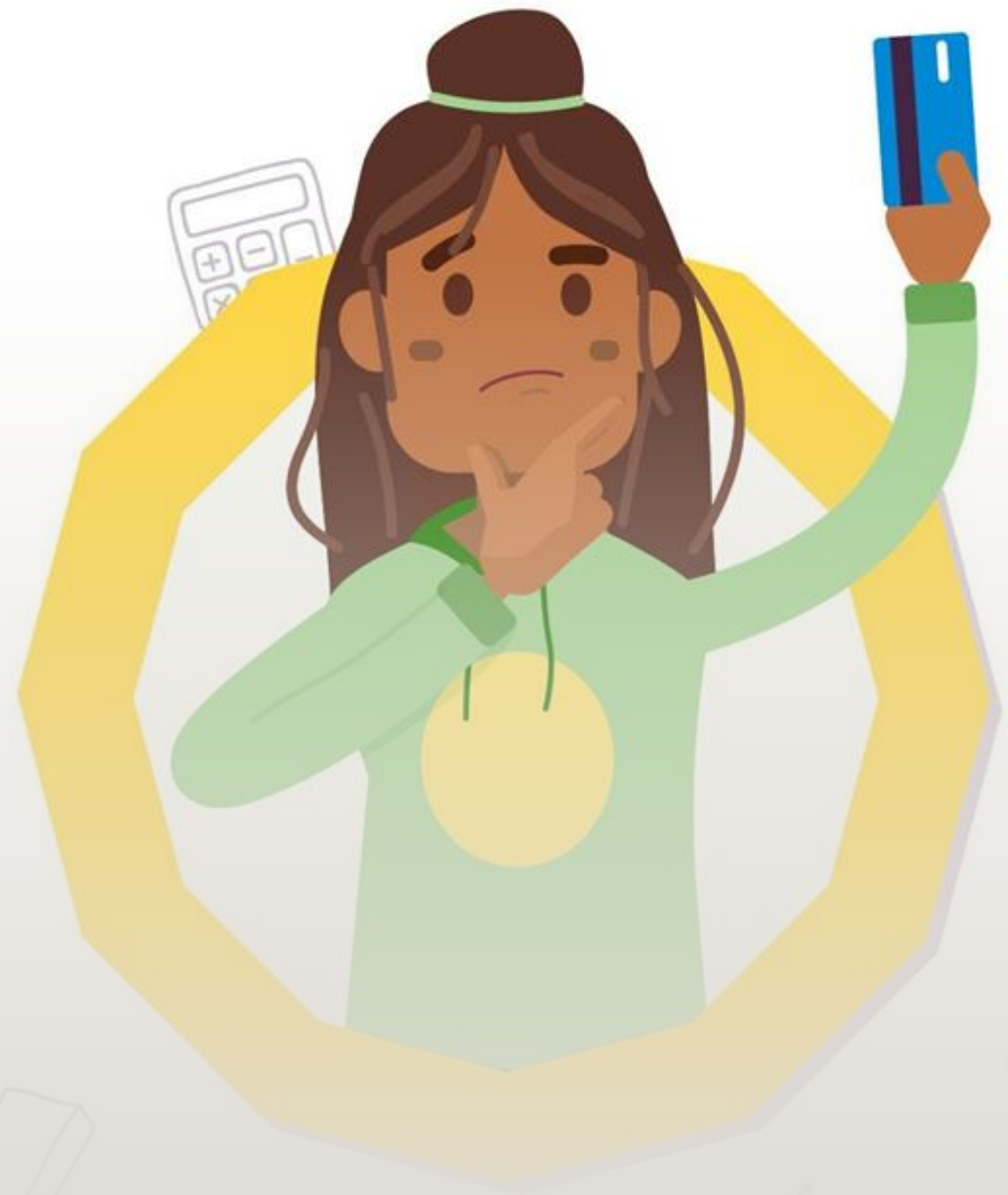


Lesson 4.

When & How do I get paid ?



Wages versus Salary?



Wage

Salary



WAGE:

- This is calculated based on the number of hours worked: Hourly rate x Number of hours worked.
- Paid daily, weekly or monthly.
- If you do not work, then you do not get paid. However, if you work more hours then you could be paid at a higher rate.
- Few benefits: Not usually paid sick pay.

SALARY:

- This is paid monthly.
- Calculated as $1/12^{\text{th}}$ of an agreed amount (Annual salary).
- Not usually paid overtime (hours included in salary).
- Benefits included such as sick leave, holiday leave and pension contributions.

Wages & Zero hour contracts

Zero-hour contracts offer the greatest flexibility in working arrangements however there is never any guarantee of work on offer from the employer.

This works for:

- Seasonal Employment
- Busy Restaurants
- Special Events

How do I get paid ?

Cash in hand
(although this is
done rarely now)

BACS transfer.

BACS transfer?

- Your wage / salary is paid directly into your bank account.
- You will need a National Insurance number (issued when you are $15\frac{1}{2}$ years old).
- You will be enrolled into the PAYE system whereby your Tax and NI will be calculated and deducted as appropriate.

Pay Slips!

- When you are paid, your employer must supply you with a pay slip (this can be on paper or electronic).
- Your pay slip **MUST** tell you how much you have earned that pay period and how much you have paid in deductions (Tax, NI, Pension, loan etc).

Pay Slips!

Your payroll number 123456 **Mr John Smith** **The tax period** Pay Day 01/01/2016 **Deductions - tax and National Insurance** **Your tax code**

Company Name Ltd **Tax Week 12** **CNPAYROLL**

Earnings	Units	Rate	Amount	Deductions	Amount
Basic Pay			2,008.33	Tax (code 4321A)	233.33
				NI (category A)	169.40
				Pension	50.00
				Student Loan Plan X	10.00
Total			Earnings 2,008.33	Total	Deductions 442.73

Payments, wages, bonuses, commission

Running Totals			
Tax Year to Date		Accumulations	
Gross Pay	25,000.00	Basic Pay	25,000.00
Taxable Pay	14,000.00	Ers Pension FL	50.00
Tax	2,799.96		
This Employment			
Gross Pay	25,000.00		
Taxable Pay	14,000.00		
Tax	2,799.96		
Employee's NI	169.40		
Employer's NI			
Previous Employment			
Taxable Pay			
Tax			

Amount Paid	
Earnings	2,500.00
Deductions	452.73
Net Pay	1,620.60
B/Forward	
Amount Paid	1,620.60
C/forward	
Payment method	BACS
Employer's Contributions	
NI (category A)	100
Annual Salary	25,000.00
NI Number	AB 12 34 56 C
Amount Paid	1,620.60

Expenses

Pensions

Student loan

Workplace benefits

Your national insurance number

What's next?

What questions do you have about how you might get paid?

Next lesson we look at what NI and Tax is.