

TOP Tips on 10 Understanding Your Payslips



Payday - everyone's favourite day. But how many of us truly understand the importance of checking each and every payslip we receive?

Packed full of abbreviations and calculations, we often discard payslips as complicated and unnecessary. But this is putting your money at risk.

So let us walk you through our top ten tips to make understanding your pay simple...

1 Gross pay

Also known as basic pay, this is one of the only fixed numbers on your payslip, only changing if your annual salary increases.

2 Take home pay

The important part - the amount that will show in your bank account. Expenses, bonuses, commission, and overtime could all be included here. And if this isn't the amount you're expecting, you need to raise this with your Payroll team as quickly as you can.

3 Personal information

Making sure all the personal information on your payslip remains correct is essential. This document is a formal record of the transactions between your boss and yourself. You may also need to use your payslip as proof of identity or earnings for a mortgage application, personal loan and much more.

4 Payroll number

Your payroll number should remain the same throughout your career at an organisation, and is an important part of your working records. If the number looks different on one of your payslips, you need to speak up.

5 Tax code

One of the most critical parts of your pay, we all know that tax codes need to be correct. The government uses this code to track your tax payments throughout the whole of your working life. If the code is wrong, you could either be losing money or facing a hefty tax bill. Definitely worth checking each pay day.

6 Pension

No one wants to start retirement with the realisation that you won't be receiving the pension pot you were expecting. So, keep an eye on how your pension is building through your payslips. This will help you decide whether it's worth increasing your contributions to make sure you're working towards the retirement you've always dreamed of.

7 Deductions

Including tax, National Insurance, student loan repayments and much more, make sure your employees are checking all the deductions stated on this part of their payslip. Flagging any discrepancies quickly could save a lot of time and hassle later. Use the example of National Insurance - if they don't pay the correct amount throughout their working life, their state pension could be affected at retirement.

8 Workplace benefits

Deductions for healthcare plans, season ticket loans and cycle-to-work schemes are another essential to check. The amounts deducted could change and this will affect your take home pay. So, reviewing these deductions each pay day is a great habit to get into.

9 Pay date

It's easy to become confused if your pay date changes from payday to payday, and getting the date wrong can affect important bills. Check each pay date ahead of time each month to confirm when your pay will be available.

10 Key contacts

Make sure you know where and when you can access your payslips, and who to contact if you notice a discrepancy. Getting this information now will mean you can act quickly if you ever need to change your personal details, the bank account you want your pay to land in, or if you notice a discrepancy.

So while payslips may look complicated, it won't take long to get into the habit of checking the information every payday.

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