

# FACTSHEET: PAYSHEET DEDUCTIONS

**PAY ADVICE**      IMPORTANT: Please retain your payslip for future reference

Name: Debbie Clayton      Period Ending: 18/04/2010  
 ID Number: D1234567      Payment Due Date: 23/04/2010  
 Location: SuperCo Pride Place      Tax week: 04  
 Department: Checkouts

Payments	Units	Value	Deductions	Value	Year To Date	Value
Basic Hours	87.75	537.03	Income Tax NI	21.00 18.08	Taxable Pay	604.35
Holiday	11.00	67.32				Tax
					NI	18.08
<b>TOTAL PAYMENTS (Gross Pay)</b>		<b>604.35</b>	<b>TOTAL DEDUCTIONS</b>	<b>39.08</b>	<b>NET PAY</b>	<b>565.27</b>

**Deduction means an amount that is taken away from a larger amount of money.**

### Gross Pay (Income)

The total amount you are paid (what you actually earned) before any deductions are taken from your wages.

### Net Pay (Income)

The total amount you are paid after any deductions are taken from your wages – this is what is in your pay packet.

### Additional Payments

Money you get paid into your wages for your expenses, such as some paid holiday time (not the holiday) work travel and lunches.

### Income tax

Money that is deducted from your wages. This money goes to the Government to pay for Public Services such as Education, Health and Social Security.

### National Insurance

Money that is deducted from your wages. This money goes to the Government to pay for your State Pension when you reach retirement age.

### Pension Scheme

The company you work for deducts money from your wages to pay back to you when you retire as an extra pension.

### Other deductions

Money is deducted from your wages for payments you choose to make. These payments can be for things like Union Fees (organisations that help to make things fair for workers) and charity donations.

### Council Tax

This money is paid separately straight to the local council. It varies in cost depending on where you live. It is used to pay for local things like roads, police and fire services, street cleaning and pavements and dustbin and rubbish services. Some people have it taken directly from their wages.



## PAYSLIP QUICK QUIZ

Pupil Name: .....

1. What is a 'deduction'?

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2. What does 'gross pay' mean?

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3. Why do we pay Income Tax?

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4. What is the name of the deduction that goes towards your State Pension?

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5. What does 'net pay' mean?

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