



Your Salary Explained


 **the works**
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Your Salary

- All employees are entitled to an individual written pay statement on or before the time they are paid. The statement must show gross pay and take-home pay, with amounts and reasons for all variable deductions for example Tax & National Insurance



What is Income Tax?

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- Income tax is a tax levied directly on personal income. To put it simply, income tax is tax on your earnings. Once your earnings go above your personal allowance you must pay tax on the following:
 - Income from employment
 - Income from pensions
 - Interest on savings
 - Rental income
 - Employment benefits
 - Income from a trust

When will I be receive my first pay as a temporary worker?

- You will receive your first pay two weeks after the start of your first assignment, by bank transfer and then every Friday.



How do I pay Income Tax?

- You pay Income Tax through PAYE (pay as you earn), this is deducted from the salary you receive from your employer.
- Your employer pays the tax to the HMRC (Her Majesty's Revenue & Customs) on your behalf.



How much Income Tax is deducted from my salary?

- Your tax is calculated after deducting your Personal Allowance (PA).
- Everyone gets a PA unless they are earning over £100,000 (which your PA starts to deduct bit by bit until it reaches zero).
- Your tax is calculated on your salary (or earning) left after taking away your PA amount from your salary (PA is the amount of your salary where tax is not applied, making anything in that amount a tax free income) (Don't get confused; PA doesn't mean that you get this amount as extra money coming to you, it is the part of your income (salary/earning) where the tax does not apply).
- Example, your salary is £30,000 per annum, your PA is £10,600 per year; so $£30,000 - £10,600 = £19,400$. So on £19,400 is amount where the tax will be taken from as a percentage.



How much Income Tax is deducted from my salary?




Earnings	2015/16 Rate
Under your personal allowance (PA) <i>For most, £10,600</i>	No income tax payable
Between PA and PA+£31,785 <i>For most, £10,600 to £42,385</i>	20%
Between PA+£31,786 and £150,000 <i>For most, £42,386 to £150,000</i>	40%
Over £150,000	45%

What is National Insurance?

- National Insurance contributions help to build your entitlement to certain state benefits, such as the State Pension and Maternity Allowance. You begin paying National Insurance once you earn more than £155 a week (this is the figure for the 2015-16 tax year).
- The amount you pay depends on how much you earn:
 - 12% of your weekly earnings between £155 and £815
 - 2% of your weekly earnings above £815
- Your National Insurance contributions will be taken off along with Income Tax before your employer pays your salary.



Overview of National Insurance (NI)



You pay National Insurance contributions to qualify for certain benefits including the State Pension.



You pay National Insurance if you are:

- 16 or over
- an employee earning above £155 a week
- self-employed and making a profit of £5,965 or more a year
- You need a NI number before you can start paying NI contributions



National Insurance Rates

Earnings		National Insurance Rate 2015/16 (For Employed, Not Self-employed)
<i>Per week</i>	<i>Annual salary</i>	
Under £155	Under £8,060	No national insurance payable
£155 - £815	£8,060 - £42,380	12% on everything earned between £155-£815/week
Over £815	Over £42,380	12% on everything earned between £155-£815/week, 2% on everything above that

Tax & National Insurance Queries

- Once you have supplied us with your tax documentation and commenced your assignment any queries relating to you tax code etc. should be directed to:



HMRC
Bradford Valley View
Centenary Court
St Blaise Way
Bradford
BD1 4YA Tele No: 0300 200 3300

- You will be required to quote tax reference **072/W475**

National Insurance Contact

National Insurance contributions and Employers Office
HM Revenue and Customs
BX9 1AN

Tele No : 0300 200 3502

Payroll Queries

- Any payroll queries you may have regarding your salary contact the accounts department on the following:

Email: accounts@theworksrec.co.uk

Tele: Betty: 0113 238 5430

Karen: 0113 238 5431



If you need any
further help or advice email
itsworking@theworksrecruitment.com

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