



Explaining payslips

Catherine O'Connor gives an overview on how to understand your payslip

I HAVE received some questions regarding understanding payslips. There are several acronyms and they can be confusing to read, but it is important to fully understand your payslip so that you can ensure that you are being paid the appropriate amount.

All employees have a right to a payslip under Section 4 of the Payment of Wages Act 1991. Payslips are a written statement outlining the total pay before tax and all details of any deductions. They are important and confidential documents and should be kept safe. They can be either in paper or electronic format, and while the layout of payslips may vary slightly from area to area, the same general information should be included. The main differences between public and private sector payslips are the pension contributions.

Basic information/your details

Your payslip will generally state your employer, your employee number, and your position, eg. staff nurse/staff midwife. It will also state the period of time for which you are being paid, eg. week of the year if being paid weekly/fortnightly, or a number if paid monthly, eg. period 3 would be March. Your payslip will also contain your PPS number, which is a unique reference number used for tax purposes in addition to allowing you to access social welfare benefits and public services in Ireland. Payslips are divided into two columns with payments on the left-hand side, and deductions on the right-hand side.

Pay

Gross pay: Your gross pay is the total amount paid before any deductions are made in that pay period.

Net pay: Your net pay is the total amount paid once all deductions are made in that pay period.

Basic pay: Your basic pay is the standard amount paid before additional payments such as premiums or allowances are made. It is important to keep an eye on your basic pay to ensure that it is increasing in line with your increments. In order to roughly

calculate your salary point from your hourly rate of pay, multiply your hourly rate of pay by 39 to give you your weekly rate, and then again by 52.18 to give you an estimate of your yearly salary. It is important for 2019 graduates to remember that after working for 16 weeks post finishing their internship, they can skip point 2 of the salary scale and proceed directly to point 3. After one year, they will move to the next point of the scale at which point they are eligible to apply for the enhanced nurse/midwife contract to avail of the higher rate of pay.

Premium pay: Premium pay includes night duty pay, Saturday pay, Sunday and bank holiday pay, and time plus one-sixth. They are itemised separately from your basic pay.

Allowances: Some nurses and midwives will also be eligible to receive allowances such as the location allowance (€2,230 per annum) or the specialist qualification allowance (€3,349 per annum). Further information on salary scales and allowances is available at: www.inmo.ie/Salary_Information

Deductions

Tax: Pay As You Earn (PAYE) is a form of income tax that is deducted by the employer on behalf of the government and is calculated as percentage of your gross income. Registering for tax credits for which you are eligible reduces the amount of tax you need to pay during the year. Tax credits are specific to your personal circumstances; to examine your own tax and tax credits please visit: www.revenue.ie. It is important to remember that your employer applies PAYE based on the information they receive from Revenue, so be sure to update Revenue of any relevant changes that may affect your tax credits, eg. marital status or having dependants.

USC: The Universal Social Charge (USC) is another form of tax. The current rates of USC are shown in the *Table*. Please note that these rates/bands may change yearly depending on the budget.

PRSI: Your Pay Related Social Insurance

Table: USC explained

Rate of USC	Year 2020
0.5%	First €12,012
2%	Next €8,472
4.5%	Next €49,560
8%	Balance

(PRSI) class will be stated in your payslip and specifies what mandatory PRSI contributions you are paying. Generally speaking, most employees are Class A. These contributions determine future eligibility to access social insurance payments (provided you meet the qualifying criteria). PRSI contributions are calculated as 4% on your total earnings.

Pension deductions: Nurses and midwives who entered employment in a pensionable public service post on or after January 1, 2013 are members of the Single Public Service Pension Scheme, also known as the 'Single Scheme'. The rules of the Single Scheme are set out in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Further details of this scheme are available at: www.hse.ie/eng/staff/benefitsservices/pension-management/single-scheme/

Union membership: Undergraduate students have free INMO membership, but once you graduate there is a fee for membership (please see details at www.inmo.ie/Membership_Fees). If you choose to pay for your membership through deduction at source, the fee will come directly from your salary and will be listed as a deduction in your payslip.

If you experience any issues or have general questions, please do not hesitate to get in touch. If your queries relate to your pay, please contact your salaries department/payroll first.

Get in touch

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