



Making sense of your payslip

Student and new graduate officer, Liam Conway, explains how to understand your payslip

THIS month I want to bring you through the main components of your payslip and to understand how we arrive at net pay. Payslips can vary, but all provide information about your gross earnings, gross deductions, hourly rate/ increment on the pay scale and your class of PRSI. I hope this handy guide will assist you when examining your payslip in future.

Payslips

If you are a student/graduate working in the public or private sector, your payslips will have a similar format and similar deductions. The only difference in public versus private sector payslips are the pension contributions – or the absence of same in the private sector.

You may receive your payslip electronically or on paper. Payslips are confidential documents and you should always keep them safe. Your payslip will contain certain basic information every month. You will be able to locate your PPS number, staff number and the period (week of the year of payment if paid weekly/fortnightly or monthly, eg. Period 9, September. Your grade can be displayed, eg 'staff nurse', which can be displayed in abbreviations or numbers depending on where you work. Basic rate/hourly rate will often be displayed – This is your salary, eg €28,483 on first point of scale, which can be displayed as an hourly rate of €14, and your PRSI class.

It is important to know your increment point on the scale and to keep an eye that this rises every 12 months. Your employer should automatically ensure this happens but it is important to check your payslip thoroughly every month. New graduates should ensure to check that they receive their second (graduate) increment 16 weeks after commencing work, including pre-registration time worked. It is a good idea to keep a reminder in your diary.

You can view INMO salary scales and allowances on the INMO website: www.inmo.ie/salary_information.

Payments

When looking at payslips, you will see that there are two sides. Payments are on

the left side and then deductions are on the right.

Firstly, we will look at the left side displaying payments. The big figure will be displayed as 'salary'. If you are paid monthly your salary is divided up into 12 payments. So, for example the first point of the scale €28,483 will spread over 12 months in and around a figure of €2,374. This is your basic pay. If you are paid fortnightly then this monthly figure is divided by two. You will find additional payments underneath this for any premium hours worked and entitled allowances.

Premium pay is displayed as follows: Sunday/Bank holiday (Double time, this is your hourly rate x 2); Saturday (Any Saturday worked entitles you to an allowance of €15.30); Unsocial hours (Time and one-sixth is paid for any hours worked between 18:00–20:00; Nights (paid at a time and one-quarter = hourly rate + one-quarter of your hourly rate); Sunday night premium can be displayed and this is double time + one-quarter of your hourly rate. This will all add up to your gross pay or total pay.

Some nurses/midwives will receive additional pay due to them qualifying for a location allowance or qualification allowance. The location allowance entitles nurses/midwives working in a specialised area such as ED or ICU to an additional €1,858 per year. Nurses/midwives who hold a level 9 postgraduate course in a specialised area that they are working in can claim this allowance. This is an additional €2,791 per year. These payments will be spread out equally over your pay periods.

Deductions

Tax and PRSI

The dreaded deductions are on the right side of your payslip. Firstly, you will see tax, which everyone pays. This is calculated on your gross earnings. To examine your own tax and tax credits, have a look at our article on managing your tax at: www.inmo.ie/New_Graduates.

Next you will see PRSI. Again, this is mandatory. These contributions are

recorded to determine future entitlements to social welfare benefits such as the state pension. The following payments depend on your PRSI contribution record and other qualifying conditions: Jobseeker's Benefit; Illness Benefit; Maternity Benefit; Adoptive Benefit; Health and Safety Benefit; Invalidity Pension; Widow's, Widower's or Surviving Civil Partner's (Contributory) Pension; Guardian's Payment (Contributory), State Pension (Contributory); Treatment Benefit; Occupational Injuries Benefit; and Career's Benefit. You pay 4% PRSI on all your earnings.

USC: Universal Social Charge

The rate paid is based on gross earnings:

- First €12,012 – 0.5%
- Next €6,760 – 2.5%
- Next €51,272 – 5%.

However, USC itself and rates, bands may change depending on budgets.

Pension levy/PRD

The public service pension-related deduction (PRD) is a deduction from the pay of pensionable public servants. It is provided for under the terms of the Financial Emergency Measures in the Public Interest (FEMPI) Act 2009. However, this is set to be reduced and renamed as part of the new Public Service Stability Agreement in 2019.

With effect from January 1, 2016 the rates of the deduction and the bands of remuneration to which these rates apply are as follows: Pay up to €26,083 is exempt and any excess over €26,083, but not over €60,000, incurs a 10% deduction.

You can read all about the Single Service Pension Scheme and how this is calculated and what it means to you here: www.inmo.ie/New_Graduates.

Union fees

Finally, if you pay for your membership through salary deduction, this will be displayed as 'INMO' or 'UNION'.

If you have any issues or queries please don't hesitate to contact me

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