



Understanding your payslip

INMO student and new graduate officer Neal Donohue explains how to understand the deductions on your payslip

IN RECENT weeks I have received many queries from internship students and 2018 graduates in relation to pay, increments and payslips. In WIN December 2018/January 2019 I discussed the importance of being aware of the nursing and midwifery pay scales and premium payments. In this article, I will discuss pay slips.

The Payment of Wages Act 1991 Section 4 provides that all employees have a right to a pay slip. The pay slip is a statement of your gross wage and details the deductions made by your employer. Pay slips in the public sector and private sector have a similar format and will usually be sent to you electronically.

On your pay slip you will see various acronyms and headings and it is important to know what each means. Your Personal Public Service (PPS) Number is a unique personal identifier used by the Irish government to identify you for taxation purposes. You also need this for accessing social welfare benefits and public services.

Each payslip will also use your staff number or employee number as a personal identifier. Depending on where you work you may be paid monthly or fortnightly. The pay period will be specified on each pay slip. Your Pay Related Social Insurance (PRSI) class (eg. A1) will also be identified and this specifies what PRSI contributions you will pay. Your annual tax credits will also be specified. Tax credits are based on your personal circumstances and are allocated every year.

Tax is calculated as a percentage of your income. Your tax credits are deducted from this to give the amount of tax that you must pay. Any unused credits can carry over to the next year.

On the left side of your pay slip you will

see the payments column. In this column you will see your basic pay, which does not include premium payments. If you are entitled to premium payments such as time plus one-sixth, Sunday pay, bank holiday pay, Saturday pay, or night duty pay they will be itemised and added to calculate your total pay/gross pay.

On the right side of the pay slip you will see the deductions column. Deductions from pay are also referred to in the Payment of Wages Act 1991. As an employee, under law you are required to pay tax designated as 'Pay As You Earn' (PAYE) and social insurance (PRSI).

Your tax is calculated on your gross earnings, and as previously mentioned you are allocated tax credits. To examine your own tax and tax credits go to www.revenue.ie

PRSI contributions are calculated at 4% of total earnings and they contribute to the national Social Insurance Fund. A wide range of benefits are available to people who have paid social insurance so long as they meet certain qualifying criteria. The social insurance payments available include: jobseeker's benefit; illness benefit; maternity benefit; paternity 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 carer's benefit.

Universal Social Charge (USC)

The Universal Social Charge was introduced in January 2011 and is another form of tax. Please see the accompanying table for the standard rates and thresholds of USC in 2019. Please note, these rates and bands may change year on year depending on the budget.

Universal Social Charge	
Rate of USC	2019
0.5%	On First €12,012
2%	On next €7,862
4.5%	On next €50,170
8%	On earnings above €70,044

Pension deductions

Nurses and midwives employed in pensionable public service posts on or after January 1, 2013, are members of the Single Public Service Pension Scheme (Single Scheme). The rules of the Single Scheme are set out in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. You can find further details of this scheme at: www.hse.ie/eng/staff/benefitsservices/pension-management/single-scheme/

It is important to note that your employer applies the PAYE tax based on information from Revenue. It is important to contact Revenue to notify it of changes in your personal circumstances such as marital status or having dependants. These details directly affect the allocation of tax bands and credits so ensure all your details are correct.

INMO membership

Undergraduate students can avail of free INMO membership, however, once you graduate there is a fee of €5.75 per week. Many people decide to pay INMO membership through deduction at source, meaning it comes directly from your wages. This deduction is also itemised on the right-hand side of your pay slip.

Neal Donohue is the INMO's student and new graduate officer. If you have a question about the above article, or need support or information, you can contact him at email: neal.donohue@inmo.ie or Tel: 01 6640628