

YOUR PAYSリップ EXPLAINED

Below is an example of how your payslip will look. We've broken down each section so you can understand the workings and know you're being paid correctly. Please note that your payslip is unlikely to include every element shown in the example. The left-hand side of the payslip includes the billing aspect and what your earnings constitute, while the right-hand side outlines deductions.

BILLING

Units: The number of hours/days worked

Rate: The rate of pay

Salary: The total hours/days at the National Minimum Wage

Bonus: The rest of your pay above the National Minimum Wage at your contract rate

Re-billable expenses: Any expenses that your agency/client has agreed to reimburse you for in full.

Notice Advance: These are funds that can be accrued at your request for when you're working your weeks' notice. If accrued, we would use the Notice Advance to pay you for a week at the National Minimum Wage if your contract comes to an end. However, if listed as Advanced, they are paid across to you rather than accrued, so you have been paid your notice in advance.

Holiday Advance: This is the remainder of your holiday entitlement paid across to you based on the rest of your pay (bonus).

Ref	Employee Name	Process Date	NI Number
123	Test Payslip	12/04/2024	AB123456B

Billing				Deductions		
Details	Units	Hours	Rate	Amount	Details	Amount
Basic Charge	5.00	40.00	300.00	1,500.00	Employers NI	153.04
					Levy	6.14
					SW Margin	20.00
					Holiday Accrual	55.23
					A/E Pension	36.86

Payslip Detail					
Payments	Units	Rate	Amount	Employee Deductions	Amount
Salary			457.60	PAYE TAX	225.00
Bonus			639.93	National Insurance	63.22
				Pension	61.44
Notice Advance			38.13		
Holiday Advance			93.07		

	This Period		Year to Date	
	Sample Payslip Whitefriars, Lewins Mead Bristol United Kingdom BS1 2NT	Total Gross Pay	1,228.73	Total Gross Pay TD
	Gross for Tax	1,167.29	Gross for Tax TD	1,167.29
			Tax Paid TD	225.00
	Holiday Left	0.5	National Insurance TD	63.22
			Pension TD (Inv AVC)	61.44
	Payment Period	Weekly		

SmartWork.com Ltd				Net Pay	879.07
Tax Code:	1257L	Tax Period:	1		

* Working hours are based on the contract of employment with SmartWork.

DEDUCTIONS

Employer Costs: Employers NI & Apprenticeship levy – see FAQs below for more details.

SW Margin: SmartWork's weekly or monthly margin.

Holiday Accrual: The amount of pay that goes into your holiday pot for when you take time off, accrued at national minimum wage. If you request to have your holiday pay advanced to you, it will be in the billing section as "Holiday Pay".

A/E Pension: Your pension contribution if you have chosen to enrol or have not yet opted out.

PAYE TAX/National Insurance/Pension: All employee deductions: income tax, employee's national insurance and pension contribution.

THE BOTTOM SECTION

This period: Summary (weekly/monthly) pay information.

Year to date: Total pay for the current tax year

Holiday left: Remaining number of days accrued

Tax code: Indicates tax-free allowance being used

Tax period: Numer of month in the tax year

Net pay: Take-home pay for this period

SEE PAGE TWO FOR FAQs

FREQUENTLY ASKED QUESTIONS

smartwork

HOW DO I OPT OUT OF THE AUTO ENROLMENT (WORKPLACE) PENSION?

Details of how to opt out will be contained in your joining pack, which will be supplied via e-mail from our provider, The People's Pension Group. If you have not received this email, please e-mail payroll@smartwork.com to request for this to be resent.

WILL ALL MY TAX LIABILITIES BE TAKEN CARE OF?

We take care of all VAT, PAYE and NI liabilities and pay them straight across to HMRC.

WHAT ARE THE MOST COMMON TAX CODES?

1257L: You have a tax-free allowance of £12,570 for the tax year (2024/25).

NT: You are not subject to any tax deductions.

OT: Your full income is subject to tax as you have not yet provided a P45 or completed a P46 before payment.

BR: Your pay is subject to 20% tax because you have a second source of income.

DO: Your pay is subject to 40% tax because you have a second income and are a higher-rate taxpayer.

D1: Your pay is subject to 45% tax due because you have a second income and are an additional rate taxpayer.

Wk1/Mth1 (Emergency Code): Each week or month, taken in isolation, gives you an equal amount of tax-free pay.

WHY IS MY HOME ADDRESS ON MY EMPLOYMENT CONTRACT AND NOT MY WORK ADDRESS?

We like our contractors to have the flexibility and to be able to work freely at multiple sites. Keeping your home address on the contract takes away the inconvenience of signing extra paperwork each time you move across sites.

WHY DO I PAY EMPLOYER'S NATIONAL INSURANCE AND APPRENTICE LEVY?

When you work through an umbrella company, they handle employment costs like taxes and pension contributions. Employment costs include the employer's national insurance, pension contributions, and the apprenticeship levy. These costs are covered by the assignment rate, which is the money the umbrella company receives for your work. It's important to note that this rate isn't the same as your actual pay because it includes these additional expenses.

These costs don't directly affect your take-home pay because the umbrella company ensures that they are covered separately from your pay. Recent laws require that you receive a Key Information Document (KID) explaining how your pay is calculated, so there shouldn't be confusion about your earnings.

So, in summary, when you work with an umbrella company, they handle employment costs using the assignment rate, ensuring that your pay remains intact after these deductions.

I THINK I'M ON THE WRONG TAX CODE – HOW DO I FIX THIS?

If you believe your tax code is incorrect, you should contact HMRC, which will issue us with a revised tax code as required. You can do this by phoning 0300 200 3300.

IF I UPLOAD MY TIMESHEETS TO MY AGENCY, DO I ALSO HAVE TO UPLOAD THEM TO THE SMARTWORK PORTAL?

Yes, unless your agency operates a self-billing system. This means that your agency will pay the funds to SmartWork without the need for us to send an invoice.

WHAT DO I DO IF I DON'T HAVE MY P45?

If you do not have one, please let us know, and we will send you an NSC (New Starter Checklist). This will ensure you are on the correct code to process your payments.