

# A Pay Services Payslip Explained

Our step by step guide explains how our payslips are calculated.

We have included figures below as an example, based on a 1257L tax code and 40hrs p/w @ £20ph.



## Step 1 - Total Umbrella Income

Total Umbrella Income: £800

This is the amount invoiced by us paid to A Pay (the umbrella) by the client/agency.

This is made up of hours/days worked at agreed agency rates plus any reimbursed expenses/bonuses, etc.

Your rate will be inflated to account for employers cost and holiday pay.

# £800



## Step 2 - Less Margin & Employers Costs

Less Margin: £15.00

This is our deduction for the services we provide.



Less Employers NI + Levy: £87.67  
Less Employers Pension: £16.82

This is the amount of Employers Costs payable to HMRC and the pensions provider deducted from Umbrella (A Pay) income.

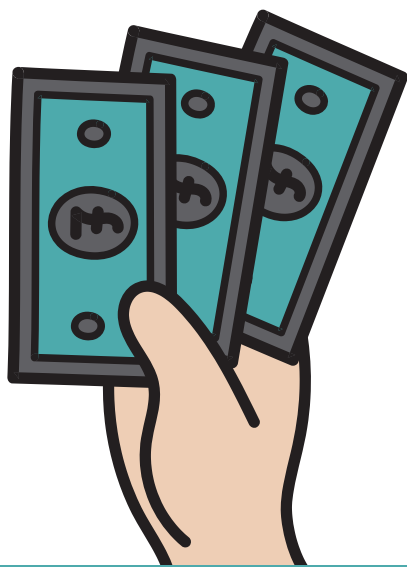


HM Revenue  
& Customs

## Step 3 - Gross Pay

So your Gross Pay consists of:

Basic Pay: £488.40  
+ Holiday Pay: £73.29  
+ Additional Taxable Wage: £118.82  
= Gross Pay Total: £680.51



### Basic Pay

This is National Living Wage (NLW).  
Calculated at hours worked x £12.21 (NLW).  
(Over 21 years old).

### Holiday Pay

Worked out as a percentage of your commission + basic pay, usually 12.07%

### Additional Taxable Wage

This is what's left from your gross pay after basic & holiday pay have been allocated.

## Step 4 - Deductions

Your total deductions are then calculated:

+ PAYE (income tax): £82  
+ Employee National Insurance: £35.08  
+ Employee Pension: £28.03  
= Deductions Total: £145.11



Your net pay is then calculated:

Gross pay: £680.51  
– Deductions total: £145.11  
= Net Pay: £535.40

For more information on how A Pay Services can help call:

**01708 973008**  
www.apayservices.co.uk

