HAYS Talent Solutions
Intelligent Resourcing

CONTRACTOR FAQ'S
YOUR PAYSLIP

Congratulations on your assignment! Many leading organisations entrust the management of their workforce to Hays Talent Solutions, meaning our team will be on hand to help you get up and running.

UNDERSTANDING YOUR PAYSLIP

If you're paid by Hays then you'll receive a payslip which looks something like the example at the end of this document. To help you understand all the different sections we've added a handy key.

UNDERSTANDING TAX CODES

The numbers in a tax code are used to work out the amount of tax-free earnings you are entitled to in the tax year. The letters show how it should be adjusted following any changes in the Budget. 1150L is the current tax code for most people. 1150 refers to their annual tax-free Personal Allowance, £11,500

Example tax codes
0T = Indicates that we have not received any form of tax documentation, and tax will be deducted at 20%, 40% or 45% depending on the amount of your candidates weekly earnings.
BR = Indicates that tax will be deducted at the Basic Rate (20%) with no tax free allowances.
DO = All earnings liable at higher rate tax at 40%
D1 = All earnings liable at higher rate tax at 45%

Common tax code suffixes
L = Basic Personal Allowance.
T = Temporary Personal Allowance.
K = Additional taxable income.

If Tax code is prefixed by an **S**, for example S1150L, this is just to indicate you are based in Scotland and you are subject to Scottish Income Tax rates and thresholds.

PAYE thresholds
If you are on the 1150L tax code will get an allowance of £11,500 per tax year; this is the equivalent of £221 a week tax free.

Basic rate: 20% up to £33,500 (£644 per week)
Higher rate: 40% from over £33,501 to £150,000.00 (£645 to £2885 per week)
Additional rate: 45% over £150,001 (£2885.01 per week)

PAYE thresholds in Scotland
A worker on the S1150L tax code will get an allowance of £11,500 per tax year; this is the equivalent of £221 a week tax free.

Basic rate: 20% up to £31,500 (£605 per week)
Higher rate: 40% from over £33,501 to £150,000.00 (£606 to £2885 per week)
Additional rate: 45% over £150,001 (£2885.01 per week)

Tax basis

You may be charged tax on two different basis.
Cumulative: An employee's previous pay and tax figures in that tax year are taken into account to calculate the correct deductions. Any deductions or refunds will automatically be made throughout the year.
Week One Basis: Deductions are calculated as though it is the first week of the tax year, as we do not take into account previous pay or tax details. This is also known as emergency tax, an example being 1150L WK1. Please note on a week 1 tax code you will not be entitled to any refunds unless we receive a P6 from HM Revenue and Customs, or a P45 on a cumulative basis.

Correcting your tax code

To ensure you are on the correct tax code you will need to complete this form and send it to the contract care team or send us your P45 from your previous employer.

National Insurance

If you don't have a National Insurance number you should contact your local office of the Department of Work and Pensions (DWP).

NI deductions

If you earn between £113.00 and £157.00 per week, no NI deductions are made but for benefit purposes, you are considered to have made contributions (Lower Earnings Limit). The Earnings Threshold for tax year 2017/2018 is £157.00 per week. If you earn between £157 and £866 per week, Class 1 contributions are deducted.

The Upper Earnings Limit for tax year 2017/2018 is £866 per week. Employee contributions are only deducted at 12% from earnings between £157 and £866 per week. Any earnings above this are subject to contributions at 2%. Employee contributions are shown on your payslip as NI EE's if applicable.

Employers contributions are payable at 13.8% on all earnings above £157 on any employee's over the age of 21 including those who have reached state pension age.

Employers contributions are not payable on workers who are under the age of 21 on earnings up to £866. Any earnings above this are subject to 13.8% employers contributions

If you are not sure on any of the above, have any other questions, or aren't sure who you need to speak to please use the chat box on the Contractor Support Frequently Asked Questions page.

HAYS Recruiting experts worldwide

Joe Bloggs
Hays Street
Hays
KT4 5KK

Period Starts	02/01/2010
Period End	08/01/2010
Payment Date	19/01/2010
Tax Period	41
Tax Code	647L
Tax Basis	Cumulative
NI Category	A

Worker ID	12200001 **A**	Bank Sort Code	XX-XX-06 **C**	Gross	£ 800.00 **D**
NI No.	XX-XX-X2-71-F **B**	Account Number	XXXX8169	Net	£ 639.56 **E**

Holiday Balances (hours)	Accrued	9.66	Taken	4.00	Balance	5.66 **F**

EARNINGS

Description **G**	Week End Date **H**	Units **I**	Rate **J**	Adjustment **K**	Total
Premium 1 H	14/05/2010	36.00	9.00	324.00	0.00
Stat. Hol. Ded	14/05/2010	0.00	0.00	-34.90	0.00

NATIONAL INSURANCE

Description			Adjustment	Total
EE NI Cont			33.22	16.17 **L**
ER NI Cont			38.65	18.81

TAX

Description	Adjustment	Total
PAYE	0.00	155.60

BALANCES

Description **M**	Adjustment	Current	Adjustment YTD	Year to Date
Gross Pay	0.00	873.00	0.00	873.00
Taxable Pay	0.00	778.97	0.00	778.97
NIable Pay	0.00	778.97	0.00	778.97
Tax	0.00	155.60	0.00	155.60
Holiday Earned	0.00	11.71	0.00	11.71
Holiday Paid	0.00	0.00	0.00	0.00
Holiday Balance	0.00	0.00	0.00	11.71
P45 Taxable Pay	0.00	0.00	0.00	778.97
P45 Tax Paid	0.00	0.00	0.00	155.60

A – Worker ID
Unique to each worker

B- Workers National Insurance Number. Each assignment must have an NI No. to allow the assignment to be set up in PeopleSoft. If no NI number supplied the system will allocate a temporary number beginning with TN.

C –This is the last 2 digits of your sort code and last 4 digits of you Bank A/C number

D – Gross – Hourly/Daily rate (premium rate, including holiday pay) multiplied by the hours/days worked.

E – Net Pay – Total payment less total deductions

F – Holiday Balances (hours)
Accrued – All holiday. hrs accrued against hrs worked, cumulative total.
Taken – hrs taken as holiday.
Balance – hrs left to take as holiday
Please note – Both hourly & daily paid workers holiday entitlement is shown in hours. For example 1 day = 8 hours

G – Earnings – Description
Premium 1 H – This is your hourly rate plus holiday pay
Statutory Holiday Deduction – This is the amount of money deducted and transferred to the workers holiday pay

H– Week Ending Date of timesheet processed

I – Units – Hours/Days worked

J – Premium rate including holiday pay

K – Adjustment – this is the units worked multiplied by the rate.

L – National Insurance – Both the employee's, EE and employer's, ER contributions for the weekending date worked are displayed on the payslip

M – Gives a breakdown of all earnings, tax and deductions.