unionlearn

Payday maths

Quick Maths Menu

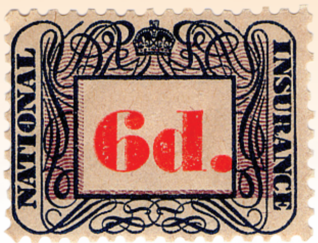
About

Did you know?

The National Minimum Wage was first set in April 1999 at £3.60 for all workers over 21 years.

Average total pay (including bonuses) in the private sector was £465 per week in April 2012, compared to £479 per week in the public sector.

The current system of National Insurance was introduced in 1911. The employer had to buy special stamps from a post office and fix them to contribution cards. The cards formed proof of entitlement to benefits and were given to the employee when the employment ended. The phrases *given your cards*, and *collect your stamps* are still used to this day.



A British sixpenny National Insurance stamp from 1948, once used to collect contributions to the scheme

Starters

Can you...

- Check the deductions for national insurance and income tax on your pay slip to check that they are the correct percentage of your basic pay?
- Work out your hourly rate of pay in any one pay period to check that you are being paid at or over the minimum wage?
- Add up your hours worked (in hours and minutes) to see how much you will be paid, or how much time off in lieu (TOIL) you have earned?
- Use formulae such as:
  (hours worked) x (hourly rate) x (1.5)
  to work out overtime pay?

If you would like to improve your 'pay day maths' skills, or maths skills in general, contact your union learning representative for more information.

Answers – Specials: Approx. £27,000, £13,000 less than the average male manager.
Set menu: 1: £215.02; 2: £42; £: C

Main course

How many weeks' pay if made redundant?

	Years in employment							
	2	3	4	5	6	7	8	9
Age								
40	3	4	5	6	7	8	9	10
41	3	4	5	6	7	8	9	10
42	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5
43	4	5	6	7	8	9	10	11
44	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5

Use this Statutory Redundancy Pay table to work out the number of weeks' pay* you could be entitled to receive if you are 43 years old, and had worked for your employer for six years and four months.

To use the table, look up your age and the number of years' service** you have with the company. Where the two cross on the table, that is the number of weeks' pay you would receive.

*£430 is the current maximum weekly pay (before tax) when calculating statutory redundancy entitlement.

**Only full years of service are taken into account when calculating statutory redundancy entitlement (a minimum of two up to a maximum of 20 years).

To check your calculation, or to find out what your statutory redundancy payment would be, use the Statutory Redundancy Entitlement calculator at
www.gov.uk/calculate-your-redundancy-pay

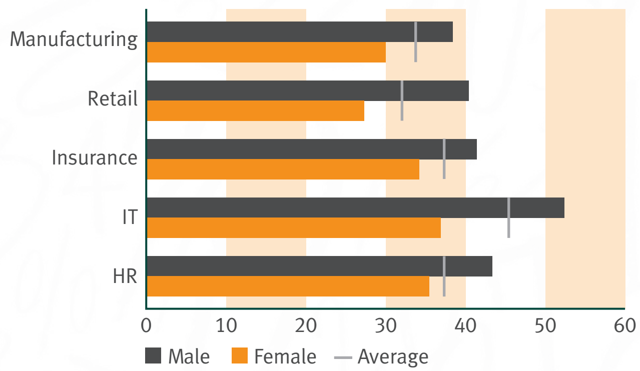
Specials

Gender pay gap

Female managers are now paid an average £31,895 per year, compared with £42,441 for men doing the same job, according to the Chartered Management Institute (CMI).

The gap between how much male and female managers are paid has widened by £500 to £10,546 in the past year, a study suggests.

Despite women's pay rising faster than men's, the CMI said it would take 98 years to gain parity at current rates.



34,158 UK executives were surveyed by XpertHR on behalf of the Chartered Management Institute (CMI)

* Average salary of overall sample, men and woman

Source: CMI

What, approximately, is the average female manager's salary in the retail sector, and how much less is this than the average male manager's salary in the same sector?

Set Menu

Payments		Deductions	
Basic pay	258.00	PAYE tax	26.70
		National Insurance	16.28
Total gross pay	258.00	Total Deductions	42.98

1. This is part of Shazia's pay slip. What will her net pay (take-home pay) be this week?
2. Gary is paid £7 an hour. He works four hours overtime this week at 'time and a half'. How much overtime pay will he get before tax?
3. Can you work out your National Insurance contributions? The rates are: if you earn more than £146 a week and up to £817 a week, you pay 12 per cent of the amount you earn above £146.

If you earned £250 per week, how would you calculate how much National Insurance you would pay?

A: 12% of £250

B: 12% of (£817-£146)

C: 12% of (£250-£146)

D: 12% of £146

Extras

Grin or groan?

Salary increase

"I must have a pay increase," the man said to his boss. "There are three other companies chasing me."

"Really?" the boss asked. "What other companies are interested in you?"

"The gas company, the telephone company, and the electricity company," the man replied.

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