

Understanding Your Payslips

A payslip is a summary of your earnings and deductions issued by your employer on paper/electronically. It is a legal requirement.

1 Weekly Sample Week 1 (Ending 7 Jan 2022)		5		6	
Employee Details		Payments		Deductions	
2	PPS number 6608685D	Weekly pay	€736.66	Tax	€87.74
3	Calculation basis Cumulative			USC	€19.45
4	Tax credit €65.38			PRSI	€29.47
3	Tax cut-off point €707.69				
4	USC 0.5% cut-off point €231.00				
4	USC 2% cut-off point €409.52				
4	USC 4.5% cut-off point €1,347.00				
10	PRSI class A1	Total	€736.66	Total	€136.66
11					
This Week		Year to Date		Payment	
	Taxable gross pay €736.66	Taxable gross pay	€736.66	€600.00 Paid 07/01/2022	
	USC-able gross pay €736.66	Tax	€87.74		
	Employer PRSI €81.40	USC-able gross pay	€736.66		
	Net Pay €600.00	USC	€19.45		
		PRSI	€29.47		
		Employer PRSI	€81.40		
		Insurable weeks	1		
Employer Registration Number: 1234567T					

1. PPSN

This is your Personal Public Service Number (PPSN), which is your unique reference number for Revenue, social welfare benefits and public services.

2. Calculation Basis

Cumulative – most efficient and allows for tax rebates through payroll; Week 1 – no rebates possible.

3. Tax Credit

Tax credits reduce the amount of Income Tax that you pay and are based on personal circumstances.

4. Cut-Off Point

Income up to the Standard Rate Cut Off Point is taxed at 20% and any amount over that is taxed at 40% (rates at going to print – June 2023).

5. Gross Pay *Reflects your earnings from the employer.*

This includes the agreed-upon gross pay components from your contract, such as salary, overtime and any allowances e.g., car allowance. It may also encompass notional pay for benefits-in-kind (BIK), such as a company car or medical insurance provided by the company.

6. Tax/PAYE

PAYE stands for Pay As You Earn: represents the income tax deducted this pay period.

7. Universal Social Charge (USC)

A charge payable on all gross income, once it exceeds €13,000 per annum. It has 4 rates based on 3 Cut off Points.

8. Pay Related Social Insurance (PRSI)

Both the employee and the employer are charged PRSI, at

different rates. Generally, an employee accrues one PRSI contribution per week, i.e., 52 per annum

9. Total Deductions

The total amount deducted -Tax, USC, Employee PRSI and any voluntary deductions, e.g., Pension, Sports & Social Club) from Gross Pay in a pay period.

10. PRSI Class

Typically, Class A for employees between 16 and 66 years. It determines the rates paid and the eligibility for social welfare benefits.

11. Net Pay

Your Net pay represents the amount you receive after both statutory and voluntary deductions have been subtracted; also known as take home pay.