PayFit

Payslips

Payslips: a helpful document or a major headache?

Understanding payslips in Europe: three countries, three distinct maturities

🇬🇧 73 %

🇪🇸 54 %

🇫🇷 29 %

of employees say they fully understand their payslip

When employees have doubts about their pay, they are most likely to turn to HR.

HR and payroll department

- 47% 🇬🇧
- 41% 🇫🇷
- 33% 🇪🇸

Managers or direct supervisors

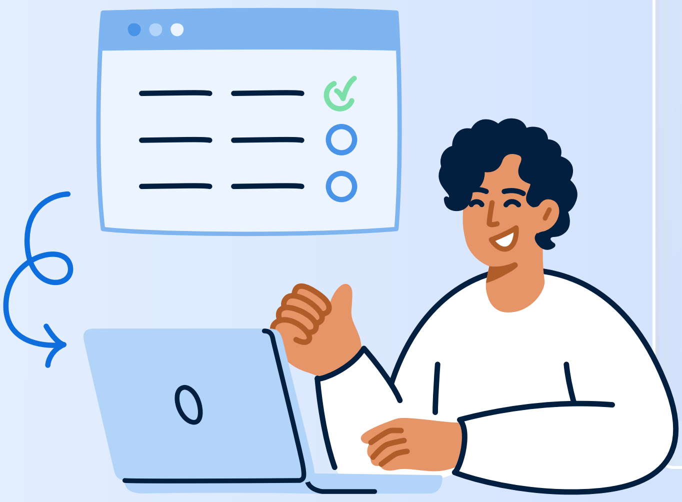
- 20% 🇬🇧
- 10% 🇫🇷
- 12% 🇪🇸

The internet or AI

- 16% 🇬🇧
- 8% 🇫🇷
- 16% 🇪🇸

Colleagues

- 7% 🇬🇧
- 22% 🇫🇷
- 23% 🇪🇸



Why European employees want to figure out what their payslip means:

They want to understand their tax allowances

- 24 % 🇬🇧
- 28 % 🇫🇷
- 29 % 🇪🇸

They want to work out their employer's pension contribution

- 19 % 🇬🇧
- 25 % 🇫🇷
- 22 % 🇪🇸

Employees frequently turn to HR or their manager about payroll issues.

Every 3 months or more often:

- 25 % 🇬🇧
- 24 % 🇪🇸
- 17 % 🇫🇷

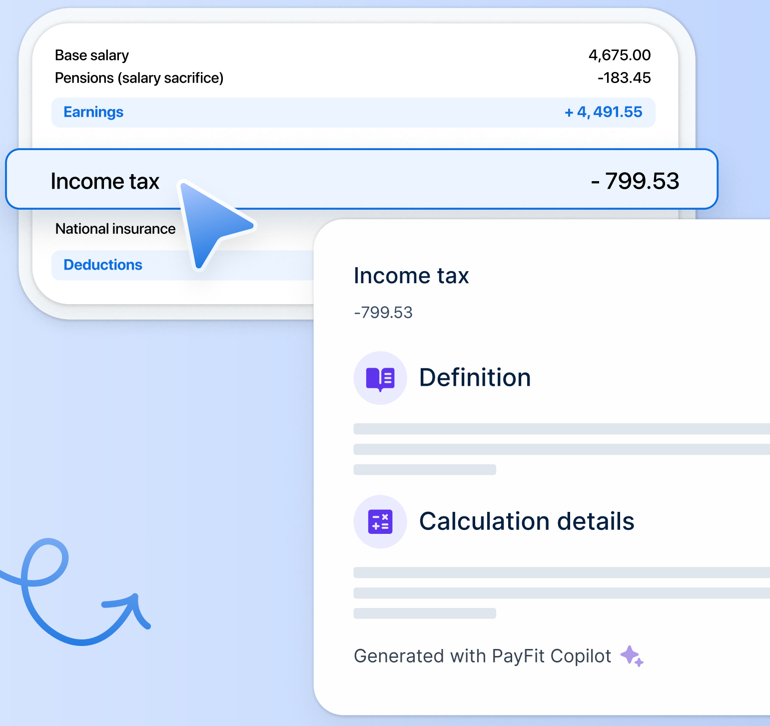
2 to 3 times per year or less:

- 60 % 🇬🇧
- 64 % 🇪🇸
- 75 % 🇫🇷

The interactive payslip: what is it?

This new global functionality is designed to give employees and administrators a better understanding of what drives changes to their salary.

With a simple click on certain items, users will see direct definitions and transparent explanations behind the calculations.



Payslip decoder

SSP

Statutory Sick Pay is paid by an employer and helps replace part of an employee's income while they're off sick. It usually doesn't cover the first three days an employee is off sick, or days they don't normally work, like weekends. This amount is worked out using the weekly rate set by the government. The weekly rate is divided by the number of days an employee usually works each week to get a daily rate.

Income tax calculation

Income Tax is a tax deducted from an employee's salary by their employer and paid to HM Revenue and Customs (HMRC). It's based on total earnings and helps fund public services like healthcare, education, and infrastructure. Income Tax is calculated using the employee's tax code and tax bands. The employer deducts it from gross pay using the PAYE system. The amount is calculated using the employee’s tax code and tax bands, with rates ranging from 20% to 45% in England, Wales, and Northern Ireland, and from 19% to 48% in Scotland.

SMP

Statutory Maternity Pay is a payment made by an employer to eligible employees during maternity leave. It provides financial support for new mothers who take time off work to care for their newborn. SMP is calculated based on an employee's average weekly earnings over an 8-week reference period before the 15th week before the expected due date. For the first 6 weeks, the employee receives 90% of average weekly earnings. For the remaining weeks (up to 33 weeks), they receive either 90% of average weekly earnings or the statutory rate, whichever is lower.

PAYE

PAYE (Pay As You Earn) is the system used by employers to collect Income Tax and National Insurance contributions directly from an employee's salary before they receive it. This ensures taxes are paid throughout the year rather than in a lump sum. PAYE calculations cover both tax and National Insurance: the employee’s tax code tells the employer how much tax-free income they’re entitled to, while National Insurance is calculated separately based on earnings thresholds. The employer uses HMRC tables or software to work out the correct amount of tax and National Insurance to deduct from each pay period.

Source : IPSOS.Digital study for PayFit 'The British and payroll'