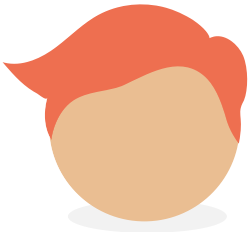
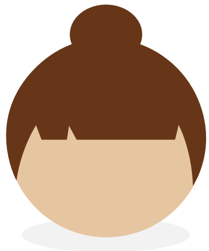
How is my take-home pay calculated?

KEY20JUNE17





Every time you go out to work, we liaise with your recruitment agency and get ready to pay you. We start by sending them an invoice for the work you carried out.

Your time worked × Daily/hourly rate = **Our invoice to agency**

When this invoice is paid, the funds we receive are made up of five different parts:

- First, an agreed margin which we retain for our services;
- Certain employer's outgoings, which we pay to the relevant government bodies;
- Holiday pay
- Any expenses you claimed, which we set aside for now;
- Your gross salary, which we'll come back to in a moment.

All five parts are included in the rate agreed with your agency for your services.

Funds from agency − Margin, employer's outgoings, holiday pay & expenses = **Gross salary**

We add your holiday pay to your gross salary and then deduct income tax and Employee's National Insurance (NI). This leaves us with your net salary.

Gross salary + **holiday pay** − Income tax & employee's NI = **Net salary**

If you're a member of our pension scheme, we'll deduct your employee contributions from your net salary. In most cases, this leaves us with your take-home pay.

However, if you claimed any expenses, the amount that lands in your bank account includes your expenses too.

Net salary − **Employee pension contributions** + Expenses = **Your take-home pay**

As you can see, you don't pay income tax or National Insurance on your expenses. Claiming expenses increases the portion of your pay that is free from these deductions.

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