



HEPSS Payroll

Payslip Explained

Higher Education Payroll Shared Services |
February 2024

Table of Contents

<i>Table of Contents</i>	2
<i>1. Online Payslip Explained – Overview</i>	3
1.1 Table 1 – Online Payslip Explained – Overview	4
<i>2. Gross Earnings</i>	5
2.1 How can I calculate my gross monthly or fortnightly pay?.....	5
<i>3. Deductions – Overview</i>	6
3.1 Universal Social Charge	7
3.2 Pay As You Earn - PAYE	8
3.3 Pay Related Social Insurance – PRSI.....	9
3.4 Lump Sum Pension (3%).....	9
<i>4. Further Deductions</i>	9
4.1 Personal Pension (3.5%):.....	9
4.2 ASC (Additional Superannuation Contribution):.....	9
4.3 Local Property Tax (LPT):.....	11
4.4 Health Insurance:	11
4.5 Additional Voluntary Contribution (AVC):	11
<i>5. ‘Details’ section on Payslip</i>	12
<i>6. Cumulatives Section of Payslip</i>	13
6.1 Cumulatives.....	13
<i>7. Reduced Work Pattern How to Calculate Deductions from a revised figure</i>	14

1. Online Payslip Explained – Overview

This section provides an overview of your payslip.

A

MR:
Department:

C

Cost Centre:

D

Details			
Pay Grade:	Eo Standard Scale - Ppc	Point:	3
Rate Current:	37,538.00		
Annual Tax Credit:	3,797.60	Annual Cut Off:	33,000.00
PRSI Class:	A1	PRSI Weeks:	2
This Period Tax Credit:	146.06	Tax Basis:	Cumulative
This Period Cut Off:	1,269.23		

B

PPS Number
Pay Group:
Payslip Date: 28-FEB-24
Pay Period: 202409

E

Cumulatives (Year-to-date)			
Gross Earnings:	7,193.95	Pre Tax Deductions:	498.83
Taxable Pay:	6,695.12	LPT:	0.00
Cut Off:	6,346.15		
Tax Credit:	730.31	Tax:	678.51
USC:	154.03	PRSI Weeks-to-date:	10
Employee PRSI:	287.75		
Employer PRSI:	792.87		

F

Gross Earnings			
Description	Hours	Rate	Value
Basic Pay/Salary			1,438.79
Total Pay:			1,438.79
Gross Pay for PAYE:			1,339.02
Net Pay			EUR 1114.96

G

Deductions		
Description	This Period	Year to Date
USC	30.81	154.03
PAYE	135.70	678.51
PRSI	57.55	287.75
Fuge Avc	41.34	206.70
Lump Sum Pension '13	43.16	215.80
Personal Pension	11.54	57.70
Asc	3.73	18.63
Total Deductions	323.83	1,619.12

1.1 Table 1 – Online Payslip Explained – Overview

Section	Content
A	Employee Name and Department.
B	Employee PPS Number. Employee Pay Group (Monthly or Fortnightly). Payslip Date: This is the payment date that relates to this payslip. Pay Period: The period which this payslip relates to.
C	Details what cost centre the payment is costed from.
D	Highlighting Grade, Point on Scale and Rate Current. NOTE: Rate Current will change if taking unpaid leave (i.e. Parental Leave/Work Sharing). Details on Tax Credits and Cut Off point as per Revenue. PRSI Class and PRSI Weeks contributed this period. Tax Basis (Cumulative, Week One or Emergency).
E	Year-To-Date Cumulatives are detailed here.
F	Basic Pay, Overtime, Allowances, Maternity/Illness Benefit, Hourly Payments etc. located in this section. Please note Gross Pay for PAYE is Gross less Pension/non- taxable deductions.
G	All deductions both statutory and voluntary are located here.

2. Gross Earnings

(Section F on Payslip overview)

Gross Earnings			
Description	Hours	Rate	Value
Basic Pay/Salary			1,438.79
Total Pay:			1,438.79
Gross Pay for PAYE:			1,339.02
Net Pay			EUR 1114.96

Section F | Gross Earnings: Basic Pay/Salary is included in this column.

Basic Arrears, Hourly Payments, Overtime and various Allowances where applicable would be included in this section. Examples being Illness/Maternity Benefit, TRR and Acting Allowance.

2.1 How can I calculate my gross monthly or fortnightly pay?

To calculate your monthly or fortnightly pay – the annual figure associated with your point on the scale is divided by 12 (Monthly) or 26.09 (Fortnightly).

If you only work part of the month/fortnight, you will need to calculate your pro-rata salary by dividing this by the number of days in the period and multiplying this by the days worked.

Pro Rata Example:

Annual Salary €50,000 / 12 months / number of days in the month * number of days worked.

Annual Salary €50,000 / 26.09 fortnights / 10 days * number of days worked.

3. Deductions – Overview

Section G on Payslip Overview

Deductions		
Description	This Period	Year to Date
USC	30.81	154.03
PAYE	135.70	678.51
PRSI	57.55	287.75
Fuge Avc	41.34	206.70
Lump Sum Pension '13	43.16	215.80
Personal Pension	11.54	57.70
Asc	3.73	18.63
Total Deductions	323.83	1,619.12

All Statutory and Voluntary Deductions are shown in this column.

Some deductions have a *standard* value, others are *percentage* based deductions or are tied to thresholds. All Deductions shown have 'This Period' and 'Year-To-Date' amounts.

Top Tip:

It is useful to know that your last payslip of the year (week 52) will contain the full value of deductions paid by you in this employment.

Using the sample fortnightly payslip on page 3 as an example, we will introduce the background to the main taxes along with a breakdown of how deductions were applied for USC, PAYE, and PRSI - calculations and thresholds are included in order to assist you in understanding how cumulative thresholds etc. work.

3.1 Universal Social Charge

Universal Social Charge (Standard Rates)

RATE	WEEKLY	F/NIGHT	MONTHLY	ANNUAL
0.5%	€231.00	€462.00	€1,001.00	€12,012
2%	€495.38	€ 990.77	€2146.67	€25,760
4%	€1,347.00	€2,694.00	€5,837.00	€70,044.00
8%	Balance	Balance	Balance	Balance

Taking the payslip on page 3 as the example, the below shows how USC is calculated based on the employee's Gross salary for this period.

€462.00 @ 0.5% = €2.31 (First €462.00)

€528.77 @ 2% = €10.58 (Next €528.77)

€448.02 @ 4% = €17.92 (Next €448.02 or in this case the remaining balance: €1438.79 – €990.77)

€ 30.81 USC due to be paid

Universal Social Charge (Reduced Rates)

RATE	WEEKLY	F/NIGHT	MONTHLY	ANNUAL
0.5%	€231.00	€462.00	€1,001.00	€12,012.00
2%	Balance	Balance	Balance	Balance

The reduced USC rates apply to medical card holders or people aged 70 years or over, who have aggregate annual income for USC purposes not exceeding €60,000 per annum.

Universal Social Charge (Exemption)

Employees with an annual Income less than €13,000 are exempt from USC.

3.2 Pay As You Earn - PAYE

- Firstly find the taxable pay figure. This is on the bottom of the payslips as 'Gross Pay for PAYE'.
- We also need to take into account Standard Fortnightly Cut-Off and Tax Credit for this calculation (this can be found in the details tab).

There are currently two rates of income tax payable in Ireland; the standard rate (20%) and the higher rate (40%)

The Cut-Off value on your payslip is the amount of income which is liable at the standard rate, also known as the 20% rate band.

Income higher than the Cut-Off point on your payslip, is then charged at the higher rate (40%).

All employees are entitled to Tax Credits, which are used to reduce the tax paid. Tax Credits are also detailed on your payslip. These tax credits are dependent on your personal circumstances and will vary between individuals.

Using the payslip on page three as an example;

Fortnightly Cut-Off = €1269.23	Fortnightly Tax Credit = €146.06
--------------------------------	----------------------------------

€1269.23 @ 20% = €253.85 (Portion of Gross pay to be charged at standard rate 20%)
€69.79 @ 40% = €27.92 (Gross pay €1339.02 – €1269.23 = charged at higher 40% rate)
€281.77 (Gross tax liability)

Less tax credit €146.06 (reduces your Gross tax liability)

€135.70 Tax due to be paid.

3.3 Pay Related Social Insurance – PRSI

In the payslip used, this employee is PRSI Class A1. PRSI differs for employees based on their circumstances which will change the % of PRSI charged.

Class A1 = 4% of Basic Pay

€1438.79 @ 4% = €57.55 EE PRSI

3.4 Lump Sum Pension (3%)

€1438.79 x 3% = €43.16 LUMP SUM PENSION

4. Further Deductions

4.1 Personal Pension (3.5%):

3.5% of Net Pensionable Pay. Net pensionable remuneration for the purpose of contributions, is pensionable remuneration less twice the maximum rate of Social Welfare State Pension (Contributory) payable to a single person.

Note: *Contributory State Pension Rate at present = €554.60.* This is multiplied by 2 for fortnightly paid staff. For example in the payslip used the employee earned €1438.79 per fortnight, calculation for Personal Pension is as follows:

{€1438.79 – €1109.20} x 3.5% = €11.54 PERSONAL PENSION

4.2 ASC (Additional Superannuation Contribution):

Introduced and effective from 1 January 2019 to replace PRD (Pension Related Deduction). Whereas PRD was a temporary emergency measure, ASC is a permanent contribution in respect of pensionable pay.

Please see below rates for 2024:

Covered Public Servant 2024		
Standard Accrual Group	Fast Accrual Group	Single Scheme Group
€0 - €34,000 @ 0%	€0 - €28,750 @ 0%	€0 - €34,500 @ 0%
>€34,500 - €60,000 @ 10%	> €28,750 - €60,000@ 10%	> €34,500 - €60,000 @ 3.33%
> €60,000@ 10.5%	> €60,000 @ 10.5%	> €60,000 @ 3.5%

ASC is applicable to most employees enrolled in a Public Sector Pension Scheme. Calculation of this is based on your earnings and the type of Pension Scheme you are enrolled in.

To calculate how much ASC you will pay per you, you will need to know your annual Gross salary and which ASC Group your Pension Scheme falls under.

- The Single Public Sector Pension Scheme falls under the Single Scheme Group.
- A Public Sector Pension Scheme that isn't the Single Scheme usually falls under the Standard Accrual Group.
- The Fast Accrual group means that you build up Scheme benefits at a higher rate and in most cases are eligible to apply for retirement benefits under the Scheme earlier than Standard Accrual members. This Group isn't usually found in the Higher Education Sector, but if it is applicable, you should raise any queries with your local HR Unit.

To Calculate the ASC, you will need to calculate how much of your pay falls into each of the Group's % brackets, and then calculate the % to be paid. In the payslip used, this employee has an annual salary of €37,538. Below is an example of how to calculate the ASC:

Single Scheme Group
€0 - €34,500 @ 0%
> €34,500 - €60,000 @ 3.33%
> €60,000 @ 3.5%

- The first threshold of €34,500 is at 0%.
- The second threshold is €3,038 (€37,538 less €34,500) and this is calculated at 3.33%.
 $€3,038 \times 3.33\% = €101.17$.
- Any earnings over the €60,000 threshold is then calculated at 3.5%, so in this example there are no earnings subject to 3.5%.

Adding the ASC to be deducted from each threshold: €0 + €101.17 + €0, the total ASC to be deducted in the year will be €101.17

To get the fortnightly or monthly value, the annual amount should be divided by 12 or 26.09.

4.3 Local Property Tax (LPT):

LPT can be deducted from salary at source. This would be deducted by the Higher Education Payroll Shared Service (HEPSS) based on the figure provided and issued by Revenue on the RPN (Revenue Payroll Notification). Deductions would normally be spread out over each tax year. Should payees wish to stop this deduction, this can be done by contacting the LPT section in [Revenue](#).

4.4 Health Insurance:

Third party deductions for Health Insurance providers like VHI can be made from salary at source. The third party in question forwards a mandate/instruction to HEPSS payroll to have deduction made, outlining the capital sum which is spread out over the year/time remaining in a given year. Any queries in relation to health insurance deductions should in the first instance be made with the provider.

4.5 Additional Voluntary Contribution (AVC):

You can start AVC privately. AVCs can be deducted from salary and rates do vary. You should firstly contact your financial consultant/pension provider (e.g. Cornmarket, Zurich), who in turn will instruct HEPSS payroll to commence deduction.

Please note: In any tax year, employee contributions are limited according to age and are subject to Revenue approval.

5. 'Details' section on Payslip

Details			
Pay Grade:	Eo Standard Scale - Ppc	Point:	3
Rate Current:	37,538.00		
Annual Tax Credit:	3,797.60	Annual Cut Off:	33,000.00
PRSI Class:	A1	PRSI Weeks:	2
This Period Tax Credit:	146.06	Tax Basis:	Cumulative
This Period Cut Off:	1,269.23		

Annual Cut-Off and Annual Tax Credit: As received by HEPSS on your Revenue Payroll Notification (RPN) provided by Revenue. Figures included in this payslip are standard but these are liable to change based on each individual payee's circumstances. If you have any queries in relation to your Standard Rate Cut-Off Point and or Tax Credits please contact Revenue or log into [Revenue My Account](#).

Cut Off (Period) and Tax Credit (Period): Annual figures for Fortnightly paid employees are divided by 26.09 to give a fortnightly figure.

PRSI Class & PRSI Weeks: Class determines what rate of PRSI both you and your employer pay, while Weeks accounts for number of insurable weeks you are being paid for.

Tax Basis: This employee is on the most common basis, which is cumulative (Year-To-Date). Please see different basis of tax hereunder:

Tax Basis	Description
Cumulative	Your tax is calculated on your earnings for the Year-To-Date.
Week 1	Your tax is only calculated on your earnings for this period.
Emergency*	Your Employer does not have a current or has not received an RPN for you.

NOTE: RPNs are issued by Revenue and uploaded by Payroll.

* **Please Note:** Higher Education Payroll Shared Service (HEPSS) is obliged to operate Emergency Tax when up to date information is not available from Revenue. The emergency tax basis is system generated and can only be removed on receipt of up to date information from Revenue (RPN). If you are placed on Emergency Tax please contact [Revenue](#) immediately.

6. Cumulatives Section of Payslip

Cumulatives (Year-to-date)			
Gross Earnings:	7,193.95	Pre Tax Deductions:	498.83
Taxable Pay:	6,695.12	LPT:	0.00
Cut Off:	6,346.15		
Tax Credit:	730.31	Tax:	678.51
USC:	154.03	PRSI Weeks-to-date:	10
Employee PRSI:	287.75		
Employer PRSI:	792.87		

6.1 Cumulatives

This column highlights what has been paid and deducted in the current tax year. For example we can see Gross Earnings to date along with Taxable Pay.

IMPORTANT NOTE: In the Cumulative (Year-To-Date Column) we also see Cut-Off and Tax Credit to date. This is important when calculating PAYE on the cumulative basis. In this case taxable pay figure is below the Cut-Off point. However if you ever see your Taxable Pay going above the Cut-Off in the Cumulative section it means that a portion of your pay is going to be taxed at 40% (higher rate).

The cumulative column also outlines what has been deducted for PAYE, USC, LPT Year-To-Date, while also highlighting the amount of Employer PRSI contributed. Number of insurable weeks-to-date is also highlighted.

7. Reduced Work Pattern | How to Calculate Deductions from a revised figure

Employees can reduce their work pattern for various reasons e.g. work sharing, parental leave. Please see below table which highlights pay multipliers for someone working reduced hours/work pattern.

Weekly Pay Multipliers			
Days Off	Decimal	Percentage	Days Worked
½ Day	0.9	90%	4 ½ Days
1 Day	0.8	80%	4 Days
1 ½ Days	0.7	70%	3 ½ Days
2 Days	0.6	60%	3 Days
2 ½ Days	0.5	50%	2 ½ Days
3 Days	0.4	40%	2 Days
3 ½ Days	0.3	30%	1 ½ Days
4 Days	0.2	20%	1 Day
4 ½ Days	0.1	10%	½ Day

For example if an employee earning €1438.79 per fortnight was to take one day Parental Leave per week, it would be calculated as follows:

Basic Pay/Salary: **€1,438.79 x 0.8 = €1,151.03** on 4 Day Week.



Pension, PAYE, USC, PRSI would all be calculated from this revised figure. Calculations for these deductions are outlined at the start of this document.

Example of reduced figures associated with a work pattern at 80% is outlined in the table below.

Reduced Figures working 80% Pattern (i.e. 1 Day Off per Week)		
Deduction	Calculation	Sub-total
Pension	€1,151.03 @ 3% = €34.53	€34.53
Personal Pension	€€1109.20 @ 0.8% = €887.36 €1,151.03 - €887.36 = €263.67 €263.67 @ 3.5% = €9.23	€9.23
USC	(First €462 @ 0.5% = €2.31) + (Next €528.77 @ 2% = €10.58) + (€160.26 (Balance) @ 4.5% = €7.21	€20.10
PAYE	€1,151.03 - €34.53 - €9.23 = €1,107.27 (Gross Pay for PAYE) €1,151.03 x 20% (below SCROP)= €230.21 – (Tax Credit) €146.06 = €84.15	€84.15
PRSI (EE)	€1,151.03 @ 4% = €46.04	€46.04
	Total Deductions:	€194.05

Reduced Net Pay: €1,151.03 – €194.05 = €956.98

Disclaimer: This document is offered for information and awareness purposes only. HEPSS is not liable for any decisions made based on the above information. You should contact Revenue and/or the Department of Employment and Social Protection for further information in relation to your individual taxes and entitlements