
1.11

Using Skill for Business

Interpreting a Wage Slip

Learning Outcome Notes

LO 1.11 - Interpret a wage slip and calculate personal tax liability arising from employment.

1.11

Using Skill for Business

Interpreting a Wage Slip

Past Exam Questions and Answers

NOTE - Very Important

It is very important when answering exams question that you use the following steps -

1. That you know the information for the learning outcome
2. That you understand the information form the learning outcome
3. That you can apply the information form the learning outcome to the question
4. Be able to give at least two full sentences for your answer (Fill up the space)

Questions are changing from rote learning to applying the knowledge to the Question

QUESTIONS

2019 - Paper - Question 18 - Part B

- (b) Mary's position with Ryanair earns her a monthly wage of €7,000 and she earned overtime of €600 in May. She pays PAYE at the rate of 40% and has a monthly tax credit of €275. She pays PRSI at 4% and USC at 5.5%

Using the details above, complete Mary's payslip for 31/05/2019

Payslip			
Employee's Name	Mary Brennan	Date	
Earnings		Deductions	
Basis wage		PAYE	
Overtime		PRSI	
		USC	
Gross Pay		Total Deductions	
Nett Pay			

PAYE workings box.

PRSI working box.

USC working box.

2019 - Sample Paper - Question 13

Employee No. 15	Graine Dwyer	Week 20	Date	19 May 2018
Pay	€	Deductions	€	T and M Motor Ltd
Basic	544.00	PAYE	77.07	
Overtime	168.00	PRSI	28.48	
		USC	22.71	
		Cycle to Work Scheme	15.00	Net Pay
Gross Pay		Total Deductions		

SUGGESTED SOLUTIONS

2019 - Paper - Question 18 - Part B

- (b) Mary's position with Ryanair earns her a monthly wage of €7,000 and she earned overtime of €600 in May. She pays PAYE at the rate of 40% and has a monthly tax credit of €275. She pays PRSI at 4% and USC at 5.5%

Using the details above, complete Mary's payslip for 31/05/2019

Payslip			
Employee's Name	Mary Brennan	Date	
Earnings		Deductions	
Basis wage	7,000	PAYE	2,765
Overtime	600	PRSI	304
		USC	418
Gross Pay	7,600	Total Deductions	3,487
	Nett Pay		4,113

PAYE workings box.

$$€7,600 \times 40\% = €3,040$$

$$€3,400 - €275 = €2,765$$

PRSI working box.

$$€7,600 \times 4\% = €304$$

USC working box.

$$€7,600 \times 5.5\% = €418$$

2019 - Sample Paper - Question 13

Employee No. 15	Graine Dwyer	Week 20	Date	19 May 2018
Pay	€	Deductions	€	T and M Motor Ltd
Basic	544.00	PAYE	77.07	
Overtime	168.00	PRSI	28.48	
		USC	22.71	
		Cycle to Work Scheme	15.00	Net Pay
Gross Pay	712.00	Total Deductions	143.26	568.74

Pay		Deductions		Net Pay	
Basic	544.00	PAYE	77.07	Gross Pay	712.00
Overtime	<u>168.00</u>	PRSI	28.48	Deductions	<u>(143.26)</u>
	712.00	USC	22.71	Net Pay	568.74
		Cycle	<u>15.00</u>		
			143.26		