



Payslip Audit Report

Who are SafeRec?

SafeRec are an independent compliance organisation based in the UK that developed an innovative solution to guarantee your pay has been processed compliantly.

To achieve this level of certainty we can process 2 separate checks:

- Full payslip audit
- Cross-reference of Assignment Rate (if provided)

Included in this Payslip Audit Report:

- Audit Result
- Payslip



Audit Result

Pre Calculations Checks

i **Assignment Rate(s) / Amount Received by the Payroll Company** £10.60/hour
Assignment Rate(s) on the Payslip and other amounts received/processed by the payroll company.

Smart Insight:

The **Assignment Rate** (also referred to as the **Limited Rate** and sometimes "Umbrella Rate") is the hourly or daily rate negotiated by a worker with the recruitment agency or end client for their services when engaged on an assignment. This rate will be paid to the worker's limited company or umbrella company, and the company will then pay the worker their salary after deducting any necessary deductions. (e.g. employer and employee taxes; CIS deductions; National Insurance contributions; fees).

✓ **Gross Pay** £363.92
Gross Pay is accurately calculated

Smart Insight:

The **Gross Pay** is the total amount of money earned by an employee before any deductions or taxes are taken out. This includes their salary or wages, as well as any bonuses, commissions, or overtime pay they may have earned during the pay period.

✓ **Earnings for tax** £363.92
Earnings for Tax is accurately calculated

Smart Insight:

"Earnings for Tax" on a payslip refers to the portion of an individual's earnings subject to Income Tax. Most types of income earned through employment, such as wages, salaries, bonuses, and commissions, are included in **Earnings for Tax**.

Overall Checks

- ✔ **Company Receipt Check | Part 1/2** £397.50
Company Receipt Check Part 1 passed.

Smart Insight:

The **First Check** on the **Company Receipt** confirms that the Company correctly processes the total amount it receives.

- ✔ **Company Receipt Check | Part 2/2** £397.50
Company Receipt Check Part 2 passed.

Smart Insight:

The **Second Check** on the **Company Receipt** confirms that the total sum processed by the Company is accurately calculated from the worker's assignment rate(s) and worked hour(s) / Day(s)

- ✘ **National Minimum Wage**
Holiday pay has not been detected on the payslip or the reconciliation statement. If holiday pay was computed for this particular payslip, it would result in the worker being paid under the National Minimum Wage threshold for individuals aged 23 years and above | If the worker is aged over 23, please contact the company that processed this pay for further clarifications.

Smart Insight:

The **National Minimum Wage (NMW)** refers to the legally mandated lowest hourly wage rate that employers are required to pay their employees. It is a vital labour standard designed to ensure that workers are fairly compensated for their services.

More information about the National Minimum Wage at [CheckYourPay.Campaign.gov.uk](https://www.checkyourpay.org.uk)

Company Deductions

i **Employer Pension Contribution**
No Auto-Enrolment Pension Contribution was detected.

Smart Insight:

There could be a few reasons why there is no **Auto-Enrolment Pension Contribution** on the payslip (including but not limited to):

- The worker is in the first three months of employment
 - The worker has opted-out
 - The worker is under the earnings trigger of £10,000 / year.
-

✔ **Employer National Insurance Contribution** £26.76
Employer National Insurance is accurately Calculated.

Smart Insight:

Employer National Insurance Contribution is an employment cost that employers (e.g Permanent Employers, Umbrella Companies) are required to pay on behalf of their employees. These contributions are used to fund state benefits, such as the National Health Service, the state pension, and other social security benefits.

✔ **Apprenticeship Levy** £1.82
Apprenticeship Levy is accurately calculated.

✘ **Holiday Pay**
Holiday pay is not calculated on this payslip and reconciliation statement.

Smart Insight

The absence of holiday pay in the payslip and the reconciliation statement may indicate a potential engagement via an **Elective Deduction Model** (also known as **Hybrid Models**). In such models, workers, deemed 'self-employed', opt into PAYE taxation. Typically associated with lower-paid workers, these arrangements frequently involve not paying holiday pay and ignoring National Minimum Wage Stipulations | Please contact the company that processed this payment for further clarification.

✔ **Umbrella Margin / Deduction** £5.00
The **Umbrella Margin** is the administrative cost that the Umbrella Company charges for processing the worker's payment and paying their taxes. Like all businesses, Umbrella Companies need to make money to exist. This is achieved by deducting a margin from the amount the agency or end client pays to the umbrella company.

Smart Insight

The **Umbrella Margin** amount on the payslip is not the actual cost to the worker. This is because the **Umbrella Margin** is deducted as an **Employment Cost** and, therefore, not included in the **Gross** amount used to calculate worker's taxes (e.g. **Income Tax**, **National Insurance Contributions**, **CIS** (when applicable), etc)

Worker Payments

✔ **Basic Pay | Salary** £363.92

Worker Deductions

✔ **Income Tax** £0.00
YTD Income Tax is accurately calculated

✔ **National Insurance Contribution** £21.59
National Insurance Contribution is accurately calculated

i **Employee Pension Contribution**
No Auto-Enrolment Pension Contribution was detected.

Smart Insight:

*There could be a few reasons why there is no **Auto-Enrolment Pension Contribution** on the payslip (including but not limited to):*

- The worker is in the first three months of employment
 - The worker has opted-out
 - The worker is under the earnings trigger of £10,000 / year.
-

i **Student Loan**
Insight | No student loan detected. Check with your employer if inaccurate.

Take Home Pay

i **Net Pay** £342.33

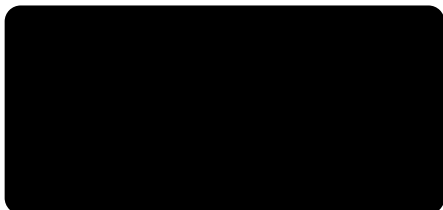


NM PCFS Limited

Comments

Sub-Contractor No.	Sub-Contractor Name	Process Date	National Insurance Number
		05.2021	

Payments			Units	Rate	Amount	Deductions		Amount
Basic Pay			1.00	363.92	363.92	National Insurance		21.59



This Period		Year To Date	
Total Gross Pay	363.92	Gross Pay TD	363.92
Gross For Tax	363.92	Gross For Tax TD	363.92
Earnings For NI	363.92	Tax Paid TD	0
Total Deductions	21.59	NI Earnings TD	363.92
Ees NI	21.59	Ees NI TD	21.59
Tax Code	1257L		
Payment Method	Bacs		
Net Pay		342.33	



Reconciliation Statement

Sub-Contractor No	Sub-Contractor Name	Process Date	National Insurance Number
27334		05.2021	

Company Receipts:

	Units	Rate	(£)
Basic Pay	37.50	10.60	397.50
Total			<u>397.50</u> (A)

Less: Company Costs:

	(£)
Management Margin	5.00
Expenses	0.00
Employment Costs	28.58
Holiday provision	0.00
Total	<u>33.58</u> (B)

Receipts less Costs: 363.92 (A) - (B)

Gross For Tax 363.92