



Foremans (UK) Limited

How Your Pay Is
Calculated



Foremans (UK) Ltd
Professional Umbrella Solutions



Example Umbrella Pay Calculation

We understand that it is important that we make sure you understand how your pay is calculated. That's why we want to make things as clear as possible.

The basic Umbrella calculation is as follows:

Step 1

Calculate revenue.

- Hours X Rate

Step 2

Deduct Company expenses:

- Expenses claimed by employee
- Administration fee
- Employers NI to be paid to HMRC

Step 3

Money remaining is the employee's gross salary.

Step 4

Calculate PAYE and Employees NI to be deducted from Employee's gross salary.

Example 1

Mr J works 40 hours @ £20per hour - No Expenses claimed

Assumptions:

- Hours worked: 40 per week
- Hourly Rate: £20.00
- Expenses Claimed £0.00
- Tax Code: 1060L Week One
- NI Code: A

Weekly calculation	Umbrella	£	£	Paid to Mr J
Revenue	40hrs X £20		800.00	
Umbrella Company Costs:				
Expenses		0.00		0.00
Administration Charge		15.00		
			15.00	
			785.00	
Employers NI			76.28	
			708.72	
Gross Salary			(708.72)	708.72
PAYE				(100.98)
Employees NI				(66.45)
Mr J Paid				541.30
Umbrella Company retains			0.00	





Note:

By law the Umbrella company must retain an amount of holiday pay, from the salary of £708.72, which will be paid to the employee during the tax year.

Example 2

Mr J works 40 hours @ £20per hour and claims £250.00 Expenses

Assumptions:

- Hours worked: 40 per week
- Hourly Rate: £20.00
- Expenses Claimed **£250.00**
- Tax Code: 1060L Week one
- NI Code: A

Weekly calculation	Umbrella	£	£	Paid to Mr J
Revenue	40hrs X £20		800.00	
Umbrella Company Costs:				
Expenses		250.00		250.00
Administration Charge		15.00		
			265.00	
			535.00	
Employers NI			45.96	
			489.04	
Gross Salary			(489.04)	489.04
PAYE				(57.04)
Employees NI				(40.08)
Mr J Paid (Salary plus expenses)				641.92
Umbrella Company retains			0.00	

Note:

By law the Umbrella company must retain an amount of holiday pay, from the salary of £489.04, which will be paid to the employee during the tax year.

To see how much you could be saving why not use our **FREE Tax Calculator** to give you an instant estimate of your take-home pay? Visit www.contracalc.co.uk

Or simply call us on 01244 625 555 for a free no-obligation calculation!



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