What is a Payslip?

Q1 Match each keyword on the left to its correct definition on the right. Answers in **BOLD**.

A	B	C	D	E
5	3	1	4	2

A. Gross pay = 5 (total earned before deductions). B. Basic pay = 3 (normal working hours).
C. Net pay = 1 (received after all deductions). D. Statutory deduction = 4 (required by law).
E. Voluntary deduction = 2 (optional deduction arranged by the employee).

Calculating Gross Pay

Q2 **Wages** - Basic pay = hourly rate × hours worked.

Basic Pay	Workings
€480	(i) Conor: 40 × €12 = €480
€612.50	(ii) Aisling: 35 × €17.50 = €612.50
€546	(iii) Tomás: 42 × €13 = €546

Q3 **Salary** - Basic pay = annual salary ÷ number of payments.

Basic Pay	Workings
€3,000	(i) Orla: €36,000 ÷ 12 = €3,000
€1,050	(ii) Ali: €54,600 ÷ 52 = €1,050

Q4 **Overtime** - Overtime pay = hourly rate × overtime rate × overtime hours.

Overtime Pay	Workings
€126	(i) Liam: €14 × 1.5 = €21. 6 × €21 = €126
€108	(ii) Rachel: €18 × 2 = €36. 3 × €36 = €108
€150	(iii) Ciárán: €20 × 1.5 = €30. 5 × €30 = €150

Q5 **Commission** - Commission = sales × commission rate.

Commission	Workings
€240	(i) Nuala: €3,000 × 8% = €240
€375	(ii) Eoin: €7,500 × 5% = €375
€360	(iii) Fiona: €12,000 × 3% = €360

Q6 **Bonus** - Bonus = annual salary × bonus rate.

Bonus	Workings
€1,400	(i) Donal: €28,000 × 5% = €1,400
€1,350	(ii) Caoimhe: €45,000 × 3% = €1,350

Q7 Niamh works 39 hours at €15 per hour plus 5 hours overtime at time and a half.

Gross Pay	Workings
€697.50	Basic: 39 × €15 = €585. Overtime: 5 × €22.50 = €112.50. Gross: €585 + €112.50 = €697.50

Q8 Kevin earns €48,000 per year plus a 6% bonus.

Gross Pay	Workings
€50,880	Bonus: €48,000 × 6% = €2,880. Total earnings: €48,000 + €2,880 = €50,880

Q9 Aoife works a basic week of 37 hours at €14 per hour plus commission of 4% on €2,500 of sales.

Gross Pay	Workings
€618	Basic: 37 × €14 = €518. Commission: €2,500 × 4% = €100. Gross: €518 + €100 = €618

Q10 Pádraig earns an annual salary of €52,000 plus commission of 2% on €600,000 of sales.

Gross Pay	Workings
€64,000	Commission: €600,000 × 2% = €12,000. Gross: €52,000 + €12,000 = €64,000

Q11 Ciara works 40 hours at €16 per hour, 3 hours overtime at double time and a 5% bonus on her basic weekly wage.

Gross Pay	Workings
€768	Basic: 40 × €16 = €640. Overtime: 3 × €32 = €96. Bonus: €640 × 5% = €32. Gross: €640 + €96 + €32 = €768

Calculating Deductions (Statutory and Voluntary)

Q12 Tick (✓) whether each deduction is a statutory or voluntary deduction.

Deduction	Statutory	Voluntary
Pension contribution		✓
Cycle to Work scheme		✓
PRSI	✓	
PAYE	✓	
Trade union membership		✓
USC	✓	

Q13 Explain **two** voluntary deductions Sinéad could choose to have taken from her wages.

Deduction: Pension contribution - Sinéad can choose to contribute part of her income towards a pension, so she will have a higher income when she retires.
Deduction: Trade union membership - Sinéad can pay for her Trade Union membership through her wages, giving her access to support and representation in the workplace. (Also acceptable: Cycle to Work scheme - she can purchase a bicycle tax-free through her employer, with the cost deducted from her gross salary.)

Q14 Liam's gross pay is €540. PAYE 20%, weekly tax credit €34, PRSI 4%, USC 2%.

PAYE	PRSI	USC
€540 × 20% = €108 €108 - €34 = €74	€540 × 4% = €21.60	€540 × 2% = €10.80
Total Statutory Deductions:	€74 + €21.60 + €10.80 = €106.40	

Q15 Sorcha's gross pay is €720. PAYE 20%, weekly tax credit €38, PRSI 4%, USC 2%.

PAYE	PRSI	USC
€720 × 20% = €144 €144 - €38 = €106	€720 × 4% = €28.80	€720 × 2% = €14.40
Total Statutory Deductions:	€106 + €28.80 + €14.40 = €149.20	

Q16 Declan's gross pay is €880. PAYE 20%, weekly tax credit €42, PRSI 4%, USC 2%.

PAYE	PRSI	USC
€880 × 20% = €176 €176 - €42 = €134	€880 × 4% = €35.20	€880 × 2% = €17.60
Total Statutory Deductions:	€134 + €35.20 + €17.60 = €186.80	

Calculating a Full Payslip

Q17 Niamh O'Sullivan's monthly wage is €2,800. PAYE 20%, monthly tax credit €280.

Niamh O'Sullivan	€	€	Workings
Gross Pay		(i) €2,800	PAYE: €2,800 × 20% = €560 Less tax credit: €560 - €280 = €280 Net pay: €2,800 - €280 = €2,520
PAYE @ 20%	(ii) €560		
Less Tax Credit	(iii) €280		
Tax payable		(iv) €280	
Net Pay		(v) €2,520	

Q18 Cormac Walsh's monthly wage is €3,500. PAYE 20%, monthly tax credit €310.

Cormac Walsh	€	€	Workings
Gross Pay		(i) €3,500	PAYE: €3,500 × 20% = €700 Less tax credit: €700 - €310 = €390 Net pay: €3,500 - €390 = €3,110
PAYE @ 20%	(ii) €700		
Less Tax Credit	(iii) €310		
Tax payable		(iv) €390	
Net Pay		(v) €3,110	

Q19 Conor Murphy works in a Dublin bookshop. Basic week 39 hours at €14; 43 hours worked; overtime time and a half; PAYE 20%; weekly tax credit €40; PRSI 4%; USC 2%; pension contribution €15.

Payslip			
Employee Name:	Conor Murphy	Date:	04/05/26
PPSN:	2461820CM	Week No:	18
Earnings		Deductions	
Basic Wage	€546	PAYE	€86
Overtime	€84	PRSI	€25.20
		USC	€12.60
		Pension	€15
Gross Pay	€630	Total Deductions	€138.80
		Net Pay	€491.20

Workings: Basic: 39 × €14 = €546. Overtime: 4 × €21 = €84. Gross: €630. PAYE: €630 × 20% = €126, less tax credit €126 - €40 = €86. PRSI: €630 × 4% = €25.20. USC: €630 × 2% = €12.60. Total deductions: €86 + €25.20 + €12.60 + €15 = €138.80. Net pay: €630 - €138.80 = €491.20.

Q20 (i) Aoife Brennan works at a hotel in Cork. Basic week 38 hours at €16; 41 hours worked; overtime double time; PAYE 20%; weekly tax credit €38; PRSI 4%; USC 2%; Cycle to Work scheme €50.

Payslip			
Employee Name:	Aoife Brennan	Date:	15/06/26
PPSN:	2294718AB	Week No:	24
Earnings		Deductions	
Basic Wage	€608	PAYE	€102.80
Overtime	€96	PRSI	€28.16
		USC	€14.08
		Cycle to work	€50
Gross Pay	€704	Total Deductions	€195.04
		Net Pay	€508.96

Workings: Basic: 38 × €16 = €608. Overtime: 3 × €32 = €96. Gross: €704. PAYE: €704 × 20% = €140.80, less tax credit €140.80 - €38 = €102.80. PRSI: €704 × 4% = €28.16. USC: €704 × 2% = €14.08. Total deductions: €102.80 + €28.16 + €14.08 + €50 = €195.04. Net pay: €704 - €195.04 = €508.96.

Q20 (ii) Suggest one reason why the government run a Cycle to Work scheme.

To encourage more people to cycle to work, which reduces traffic congestion and carbon emissions and improves the health of employees.

Q21 (i) Niamh Kelly works for an estate agent in Limerick. Monthly basic salary €2,800; commission earned in October €450; PAYE 20%; monthly tax credit €260; PRSI 4%; USC 2%; pension contribution €80.

Payslip			
Employee Name:	Niamh Kelly	Date:	31/10/26
PPSN:	24123420CM	Week No:	43
Earnings		Deductions	
Basic Wage	€2,800	PAYE	€390
Commission	€450	PRSI	€130
		USC	€65
		Pension	€80
Gross Pay	€3,250	Total Deductions	€665
		Net Pay	€2,585

Workings: Gross: €2,800 + €450 = €3,250. PAYE: €3,250 × 20% = €650, less tax credit €650 - €260 = €390. PRSI: €3,250 × 4% = €130. USC: €3,250 × 2% = €65. Total deductions: €390 + €130 + €65 + €80 = €665. Net pay: €3,250 - €665 = €2,585.

Q21 (ii) Suggest one reason why an employer would decide to pay an employee using commission.

Commission motivates the employee to increase sales, as their pay is linked to their performance, so the business should earn more revenue.

Q22 (i) Ciárán works as a delivery driver. He receives a payslip on 04/05/26. Basic week 39 hours at €14; 44 hours worked; overtime time and a half; PAYE 20%; weekly tax credit €34; PRSI €26.04; USC €13.02; pension contribution €20.

Payslip			
Employee Name:	Ciárán	Date:	04/05/26
PPSN:	2414820CM	Week No:	18
Earnings		Deductions	
Basic Wage	€546	PAYE	€96.20
Overtime	€105	PRSI	€26.04
		USC	€13.02
		Pension	€20
Gross Pay	€651	Total Deductions	€155.26
		Net Pay	€495.74

Workings: Basic: 39 × €14 = €546. Overtime: 5 × €21 = €105. Gross: €651. PAYE: €651 × 20% = €130.20, less tax credit €130.20 - €34 = €96.20. Total deductions: €96.20 + €26.04 + €13.02 + €20 = €155.26. Net pay: €651 - €155.26 = €495.74. (Employee Name: Ciárán and Date: 04/05/26 must also be completed.)

Q22 (ii) Explain the impact of tax credits on the level of PAYE that an employee has to pay.

A tax credit is subtracted from the PAYE owed, so it reduces the amount of PAYE the employee has to pay, meaning lower earners keep more of their income.

PayPath

Q23 Aoife Walsh has been offered a position with Eir, paid monthly through PayPath. True or false?

Statement	True	False
Aoife's net pay will be greater than her gross pay each month.		✓
PayPath reduces the amount of paperwork for Eir's payroll department.	✓	
PayPath is more environmentally friendly than paying employees by cheque.	✓	
Aoife will need to call to her local bank each month to collect her wages.		✓

Q24 Tesco Ireland pays all of its employees through PayPath. Outline **two** advantages of PayPath for Tesco as an employer.

Advantage 1: It reduces administration, as wages are transferred electronically, so there is no need to handle or distribute cash to employees, lowering costs.
Advantage 2: It is fast and reliable, as payments go directly into each employee's bank account on a set date, so there is no risk of errors associated with handling cash.

Q25 Aisling has just started her first job at a hotel in Galway, paid weekly through PayPath. Outline **two** advantages of PayPath for Aisling as an employee.

Advantage 1: It is more convenient, as her wages go directly into her bank account, so there is no need to queue at a bank to lodge cash, saving time.
Advantage 2: It is safer, as there is no risk of losing cash wages, so her income is secure from the moment of payment.

Keyword Recap - Fill in the Blanks

Sentence	Answer
_______ pay is the total amount an employee earns before any deductions are made.	GROSS
_______ pay is the amount an employee receives after all deductions have been made.	NET
_______ is pay earned for hours worked above the normal working week, at a higher rate.	OVERTIME
_______ is a payment based on a percentage of the sales an employee makes.	COMMISSION
A _______ is an additional payment made to an employee, usually for meeting agreed goals.	BONUS
A _______ deduction is required by law, such as PAYE, PRSI and USC.	STATUTORY
A _______ deduction is optional, such as pension contributions or trade union membership.	VOLUNTARY
A tax _______ is an amount subtracted from PAYE to reduce the tax an employee pays.	CREDIT
_______ contributions fund social welfare benefits such as jobseeker's benefit.	PRSI
_______ is an electronic system used by employers to pay wages directly into an employee's bank account.	PAYPATH