



Department for  
Business, Energy  
& Industrial Strategy

# PAYSLIPS

Guidance on legislation in force from April 2019 requiring employers to include additional information on payslips



# OGL

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## Introduction and using this guidance

New legislation in force from April 2019 will require all employers to (a) provide payslips to all workers, and (b) show hours on payslips where the pay varies by the amount of time worked.

This guidance is to help employers, workers and their advisers understand the new legislation. The legislation has not yet been interpreted by the courts or tribunals, and this guidance has no legal effect on its interpretation. This guidance is of a general nature and does not and cannot provide definitive answers to individual queries. It is not intended to be relied upon in any specific context or a substitute for seeking advice on your specific circumstances, as each case may be different.

Whether you are a worker or employer, if you are unsure about any aspect of payslip requirements you can contact the ACAS Helpline on 0300 123 1100.

## Workers entitled to payslips from April 2019

From 6 April 2019, the statutory right to receive an itemised payslip will be extended to all workers. This right currently only applies to employees, a sub-category of workers. Guidance on whether a person is a worker can be found at:

[www.gov.uk/employment-status/worker](http://www.gov.uk/employment-status/worker)

The new right applies to payslips covering pay periods which begin on or after 6 April.

There are some limited exclusions from the right to receive a payslip, such as for members of the armed forces or merchant seamen and women.

## Showing hours on payslips where pay varies by time worked

From April 2019 additional information must be shown on a payslip for workers whose pay varies depending on the number of hours they have worked.

Where this applies, the number of hours paid for on this basis (ie on the amount of time worked) must be shown. Any other hours do not need to be shown (although of course they can be shown if it would be helpful to do so). For example, where a worker has a fixed salary each month, and works variable overtime with additional pay at an hourly rate, only the hours of overtime need to be shown.

The hours can be shown either as a single total of all such hours in the pay period, or they can be broken down into separate figures for different types of work or different rates of pay. It should be clear which pay period they were worked in. They only need to be shown for pay periods which begin on or after 6 April 2019.

The hours that must be shown on a payslip are a separate matter from the number of hours worked for National Minimum Wage (NMW) purposes (although for workers who are paid by the hour they may well in practice be the same).

A payslip may be provided in either a physical format or an electronic format that the worker can print.

For further guidance on payslips please see: <https://www.gov.uk/payslips>.

## Variations caused by unpaid leave or statutory sick pay

If a worker's pay does not vary by time worked (for example because they are paid a fixed salary each month) there is no need to include an hourly figure to account for variations in pay caused by taking unpaid leave or being on statutory sick pay. Such cases do not amount to pay varying depending on the amount of time worked, but rather to pay varying because of a departure from the normal working and pay arrangements, caused by the unpaid leave or statutory sick pay.

However, if a worker is paid according to the amount of time worked and takes unpaid leave or receives statutory sick pay any hours they did work will still need to be included on their payslip.

## Enforcement

A worker who thinks that they have not received a payslip, or that the payslip they have received lacks the required information, may bring a claim before an Employment Tribunal. If the tribunal agrees, it must make a declaration to this effect, which it may publish on its website. The tribunal may also order repayment of unnotified deductions made in the 13 weeks preceding the presentation of the claim, even where the employer was otherwise entitled to make the deductions.

This is separate from a claim that a worker has not been paid properly, such as a claim for unlawful deduction of wages, where other remedies are available.

## Case studies

### **Example 1: A salaried worker with no variable pay**

Fred is contracted to work 40 hours a week for his employer at a salary of £24,000 per year. In his role no overtime is required, and he only works his contracted 40 hours per week.

As Fred's pay does not vary by the number of hours worked, there is no requirement to show any of his hours worked on his payslip.

### **Example 2: A salaried worker with additional variable pay**

Amrita is contracted to work 40 hours per week for a salary of £30,000 per year. Amrita's basic hours are Monday to Friday between the hours of 9 to 5 but as her work load fluctuates there are some periods when her work load is much higher, and she needs to stay late or come in on Saturdays as well. When this happens, she is paid an additional hourly overtime rate for any hours worked outside her basic hours.

In her last pay period aside from her basic hours Amrita also worked 6 hours of overtime.

Amrita's payslip does not need to show the basic hours for which she is paid a salary, as this does not vary based on the number of hours worked. The only variable amount of Amrita's pay in this pay period is the 6 hours of overtime, and it is this figure of 6 hours that must be included on her payslip.

### **Example 3: A worker paid by the hour**

George is paid National Minimum Wage for his age group for each hour he works. He is paid weekly depending on how many hours he worked that week.

All hours George works each week must be included on his payslip, because they are all paid on the basis of how much time he worked.

### **Example 4: A worker paid by the hour with additional pay for unsociable hours**

Jane is paid well above National Minimum Wage for each hour she works. She is paid weekly depending on how many hours she worked that week.

Sometimes Jane is required to work bank holidays. If she does so she is paid 1.5 times her normal hourly rate.

Jane worked 25 hours last week. 17 hours were at her normal rate. However the Monday was a bank holiday, on which Jane worked 8 hours.

Jane's employer must record all the hours she worked on her payslip, because they are all paid on the basis of how much time she worked. Her employer can simply show these hours as a single aggregate figure, in this case 25 hours in total. Alternatively, to increase pay transparency the employer may show the hours broken down by the different pay rates, i.e. by showing that 17 hours were worked at her normal rate of pay and 8 hours were at the increased rate for working a bank holiday. Either option is permissible.

### **Example 5: Term time workers**

Peter works at a school. He does not work at all during school holidays, only during term time. Peter is paid monthly in equal instalments regardless of whether it is term time or not.

As Peter is paid monthly in equal instalments his pay does not vary depending on the amount of time he works and therefore the hours he works do not need to be included on his payslip.

### **Example 6: Day rate workers**

Sally is a day rate worker. This means she is paid the same amount for each day she works regardless of how many hours she works in the day.

As her pay varies by how many days she works, i.e. by the amount of time she works, her hours worked need to be included on her payslip even though her pay varies by the day not by the hour.

## **Example 7: A salaried worker takes unpaid leave**

David is a salaried worker earning £40,000 a year paid in equal monthly instalments. He has used up all his paid leave but chooses to take 10 days unpaid leave for a family event in October.

David's employer therefore deducts the 10 days from David's monthly pay because he did not work those ten days.

There is no requirement for David's employer to show hours worked on his payslip. His pay does not vary depending on the amount of time worked, but rather his pay has varied in this month because of a departure from his normal working and pay arrangements.

## **Example 8: An hourly worker on statutory sick pay**

Helen is paid according to hours worked. She is paid monthly. She was sick recently and unable to work for two weeks (or ten working days). For these ten days she receives statutory sick pay which is lower than her hourly rate.

As Helen is paid according to hours worked and was working for the rest of the month the hours she worked that month still need to be included on her payslip.