



Forms and money calculations

We often receive forms with **money calculations** on them (eg payslips, council tax bills, credit statements). Here are some examples:

Example 1

Here is part of Euan's council-tax bill for the year.

First instalment due: 15/04/11	£182.77
9 further payments due: 15/05/11 to 15/01/12 of	9 × £184.00

He checks the figures. The total for the 9 payments of £184 is:
 $9 \times £184 = £1,656.00$

Adding this to the first payment he gets:
 $£1,656.00 + £182.77 = £1,838.77$

This is the total shown on the bill so it's correct at **£1,838.77**.

Example 2

Tim wants to check his monthly payslip.

Gross pay	£ 1 450.00	NI	£ 159.50
Taxable pay	£ 1 055.00	PAYE	£ 232.10
Net pay	£ 1 058.40	Total deductions	£ 391.60

He pays 11% National Insurance (**NI**) on the gross pay:
 $11\% \text{ of } £1\,450 = £1\,450 \times 11 \div 100 = £159.5 = \mathbf{£159.50}$
 This is what it says on the payslip for NI. So that's correct.

Next he works out the **PAYE** which is 22% of his taxable pay:
 $22\% \text{ of } £1,055 = £1,055 \times 22 \div 100 = 232.1 = \mathbf{£232.10}$
 So the PAYE is correct too.

The **total deduction** is NI + PAYE which is:
 $£159.50 + £232.10 = \mathbf{£391.60}$

Finally, gross pay minus total deductions should equal **net pay**:
 $£1,450.00 - £391.60 = \mathbf{£1,058.40}$

So all the figures on the payslip are correct.