

# **FINANCIAL FITNESS:** **LEVEL UP**

## **FIRST PAYSリップ: GLOSSARY**

<b>Income</b>	The term given to the money that we receive. Usually earned from employment and investments.
<b>Income tax</b>	A tax on earnings. Income tax is only payable on earnings above an individual's personal allowance.
<b>Minimum wage</b>	The amount that must be paid by law to an individual for the work they do. The rate of pay depends on the employee's age.
<b>National insurance</b>	A deduction from earnings, based on the level of weekly income. The contributions made build up entitlements to certain state benefits.
<b>Overtime</b>	Payment you may receive for working more than the hours in your contract.
<b>PAYE</b>	Pay As You Earn is the method by which employers take away deductions, such as income tax and national insurance, before you are paid.
<b>Pension</b>	A payment made to support a person's retirement from work, either from the state (the State pension) or from a long term retirement investment plan.
<b>Personal allowance</b>	The amount of money you are able to earn before paying any income tax.
<b>Salary</b>	A way of getting paid for a job. It is usually a set amount each month paid directly into your bank account.

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