

## Estimating impact of buying annual leave on your Net Pay

The below is an option for you to utilise to calculate any Net pay impact of purchasing annual leave, you should seek further guidance on the impact of any salary sacrifice on you individually, further information on considerations is included in the FAQ document on the HR Bangor Benefits page, HR is not able to provide financial advice on any payments / tax or benefits in relation to salary sacrifice.

I Trent provides you with the gross cost of purchasing additional annual leave, however as the scheme is a salary sacrifice, this means you won't pay tax or N.I on this amount, and as a result you'll save on the gross cost this way.

To get an estimate of how any purchase will impact your net pay you can utilise online salary calculators, one being <https://www.thesalarycalculator.co.uk/salary.php>

### Step 1

Put in your annual salary here

### Step 2-

Change your tax code here if it is different to the normal allowance

### Step 3

Click on the Pension Tab.

### Step 4

Enter your % Pension contribution here

### Step 5-

If you are part of pension salary sacrifice click this box (if not click employer box)

### Step 6

Click on calculate box at the bottom of the screen

**THE SALARY CALCULATOR**

- TAKE HOME PAY
- HOURLY WAGE
- MATERNITY / SICK PAY
- REQUIRED SALARY
- TWO JOBS
- PRO-RATA / FURLOUGH
- COMPARE YEARS

	Yearly	Monthly	Weekly	Daily
Gross Income	£ 37,000.00	£ 3,083.33	£ 711.54	£ 142.31
Pension Deductions	£ 3,626.00	£ 302.17	£ 69.73	£ 13.95
Taxable Income	£ 20,804.00	£ 1,733.67	£ 400.08	£ 80.02
Tax <a href="#">BREAKDOWN</a>	£ 4,160.80	£ 346.73	£ 80.02	£ 16.00
National Insurance	£ 2,496.48	£ 208.04	£ 48.01	£ 9.60
2023 Take Home	£ 26,716.72	£ 2,226.39	£ 513.78	£ 102.76
2022 Take Home	£ 26,716.72	£ 2,226.39	£ 513.78	£ 102.76

**Step 7**  
 The calculator then shows you your salary estimate without buying annual leave  
**Gross**  
**Net**  
 (Make a note of these)

**THE SALARY CALCULATOR**

- TAKE HOME PAY
- HOURLY WAGE
- MATERNITY / SICK PAY
- REQUIRED SALARY
- TWO JOBS

**Update Your Details**

I want to see the breakdown for a salary of £

Resident in Scotland?

Tax Code  
  Student Loan  
  Pension  
  Bonus  
  Overtime  
  Childcare  
  Salary Sacrifice  
  Taxable Benefits

Additional Options

**Step 8**  
 Now Scroll down the page and where it says 'Update your details, click on the Salary Sacrifice Tab

**THE SALARY CALCULATOR**

- TAKE HOME PAY
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- REQUIRED SALARY
- TWO JOBS
- PRO-RATA / FURLOUGH
- COMPARE YEARS
- COMPARE TWO SALARIES
- MORTGAGES
- DEBTS
- BLOG

Resident in Scotland?

Tax Code  
  Student Loan  
  Pension  
  Bonus  
  Overtime  
  Childcare  
  Salary Sacrifice  
  Taxable Benefits

Additional Options

Do you have any salary sacrifice arrangements (excluding your pension if you entered it on the "Pension" tab)?

I sacrifice £  per month, of my salary every

I sacrifice £  tax exempt, of my salary every

Yearly  
  Monthly  
  4 Weekly  
  2 Weekly  
  Weekly  
  Daily

Tax Year

**Step 9**  
 Enter the Gross Cost of the leave you wish to buy here (as noted in I Trent)

**Step 10-**  
 Change the period from month to year here

**Step 11**  
 Click on the Calculate Tab

thesalarycalculator.co.uk/salary.php

TalentLink - Generic... Menu - Unit4 ERP What do I need to... Apprentice rights &... Days 1-7 Bangor University form-apprenticeshi... Cycle2Work | Cycle... EA June 18 F

	Yearly	Monthly	Weekly	Daily
Gross Income	£ 37,000.00	£ 3,083.33	£ 711.54	£ 142.31
Pension Deductions	£ 3,626.00	£ 302.17	£ 69.73	£ 13.95
Salary Sacrifice (NI & Tax)	£ 500.00	£ 41.67	£ 9.62	£ 1.92
Taxable Income	£ 20,304.00	£ 1,692.00	£ 390.46	£ 78.09
Tax <a href="#">BREAKDOWN</a>	£ 4,060.80	£ 338.40	£ 78.09	£ 15.62
National Insurance	£ 2,436.48	£ 203.04	£ 46.86	£ 9.37
2023 Take Home	£ 26,376.72	£ 2,198.05	£ 507.24	£ 101.45
2022 Take Home	£ 26,376.72	£ 2,198.05	£ 507.24	£ 101.45

[View the results in a graph](#)

## Step 12

The Calculator now gives you your gross with the buying annual leave salary sacrifice cost included and then the revised net pay.

Compare this to the previous pay breakdown you got in Step 7

- Based on the above calculator , the gross cost of the annual leave was **£500 per annum** (which would be a deduction of **£41.66 per month , over 12 months**).
- However if you compare **the monthly net pay** before and after you'll see that because of the tax and NI savings, your **monthly net pay is only reduced by £28.34**, so buying the leave costs you less.
- You'll see the full value of the brought annual leave coming out of your pay each month as £41.66 in this example, but your actual net pay will only be £28.34 less due to what you save on tax and N.I.

**Please note if you have any other deductions e.g. childcare vouchers, Tir Na Nog Salary Sacrifice or Student Loan's etc these will not be factored into any calculations and would alter any pay calculations.**