



THE ESSENTIALS OF MONEY MANAGEMENT

BECAUSE GOOD FINANCIAL HEALTH MATTERS

RESOURCES





Payslip Key terms

- 1 Gross Pay** – The amount paid to you by your employer before any deductions are made. Normally 1/12 of your annual salary if paid monthly.
- 2 Pension** – A deduction based on your gross pay which goes towards building up a savings pot to enable payments to be made in retirement, in addition to the state pension.
- 3 Gross Pay for Tax** – The amount of your salary that is being taxed. Generally, this will be your gross pay less any pension you are paying into which is deducted before any tax is applied.
- 4 Tax** – the amount of money deducted from your 'taxable' pay and paid to HM Revenue and customs
- 5 National Insurance** – A further type of tax deduction made which builds up your entitlement to benefits such state pension & sick pay. Based on your gross salary
- 6 Net Pay** – what you finally receive in your bank account after all the deductions
- 7 Tax Code** – Represents the amount of tax free element of your pay. Provided by HMRC and reviewed annually
- 8 NI Number** – A unique code to you issued by HM Revenue and Customs and used throughout your life. In the form of 2 letters, 6 numbers and 1 letter.
- 9 Employer Contribution** – Additional contributions towards your retirement savings pot made by the employer



Online shopping and risk of fraud

Before You Buy	• Stick with trusted companies/brands with strong reputation. • Search for reviews online (not on their websites though). • Consider the professionalism of the website. • Always use secure sites. • Is the price for the product too good to be true?
When You Buy	• Check out as a guest when possible. • Use credit cards and secure payment services –rather than debit cards. • Never give your passwords, PIN numbers or bank a/c nos. • Create strong, secure passwords; use a password manager. • Don't use public Wi-Fi as some hotspots may not be secure.
After You Buy	• Monitor your accounts using automatic alerts. • Check your bank statement against receipts. • Ensure you keep your order and acknowledgement you receive.



Insurances plus Car Insurance



Personal Protection Insurance - Covers you in the event of failure to meet payments in a loan. Funded through additional payments on the loan or monthly payments



Mortgage Protection - Similar to the above but specifically for your mortgage. Covers monthly payments in the event you can't meet them



Redundancy Protection - Covers loss of earnings in event of redundancy for a certain period. Enables the person to seek another job without worrying so much about paying the bills



Life Assurance - Various ways to cover and pay out. Single, joint cover, Critical, Terminal and of course upon death. Can be set up for a fixed term or throughout life



Travel Insurance - Covers various events linked to taking a trip somewhere including delays, cancellations, injury, personal belongings etc



Death in Service Benefit - Some employers provide this and benefits are payable to surviving dependants



Pretty much anything else can be insured – Heath, House, Wedding, Events, Car, Pet....



Useful terms used in insurance



BIBA.ORG.UK/Insurance-guides/Jargon-Buster/

- **EXCESS** - The first portion of a loss or claim which is borne by the insured. An excess can be either voluntary to obtain premium benefit or imposed for underwriting reasons.
- **NO CLAIMS BONUS** - A rebate of premium given to an insured person by an insurer where no claims have been made by that insured. Very common in motor insurance.
- **EXCLUSIONS** - Provisions in a policy that excludes the insurer's liability in certain circumstances or for specified types of loss.
- **COOLING OFF PERIOD** – A period of time to allow the person to consider what they are purchasing before it starts or is none returnable. In this time generally the product can be cancelled without cost or with only postage. 14 days is the default.
- **INSURANCE PREMIUM TAX** – Additional amount paid as a tax on general insurance such as motor, home and pet.
- **COVER NOTE** - A temporary insurance document provided by the insurer or broker to the insured, confirming details of the cover that is in place before the actual policy documents are provided. In the case of Motor Insurance it also acts as a temporary Certificate.
- **ENDORSEMENT** - A policy wording that extends or restricts the cover provided, or that requires compliance with stated conditions. Appears on a Policy Schedule.



Further Reading

- **Money and Pensions Service (MaPS) – www.MAPS.org.uk**
 - Talk money week every November
 - UK strategy for Financial Wellbeing
- **Take Five – www.takefive-stopfraud.org.uk**
 - Campaign offering advice on preventing email, phone or online fraud.
 - Toolkit to share with friends to spread the message
- **Joes Journey – www.mcinroy-wood.co.uk/assets/pdf/Joes-Journey.pdf**
 - Similar guide to this course
 - Simple and friendly
- **Money Helper – Moneyhelper.org.uk**
 - MaPS sponsored impartial free guidance on money matters
 - Benefits
 - Money trouble
 - Savings
 - Pensions
- **Citizens advice - www.citizensadvice.org.uk**
 - Offer help with many financial related things including:
 - Available grants
 - If you having trouble paying living costs
 - What benefits you might be entitled to
- **Capital Gains Tax - www.gov.uk/capital-gains-tax/work-out-need-to-pay**