

Understanding personal finances is key to becoming more independent young adults.

List as many things as you can that were once done for you, by mum, older sibling, grandparent etc, which you now do for yourself (go as far back as you like):

Think about something that you now do for yourself that was once always done for you, such as buying shoes, brushing your teeth or transporting to work. How do you feel about doing this for yourself?

Independence is a skill that enables us to become true individuals and less reliant on others to make things happen.

Understanding pay slips:

What do the following mean?

YTD	
PAY PERIOD	
NET PAY	
PAYG	
SCG	
FY	
FBT	

Company Name				
Really Rather Good Company Limited				
Employee No	Employee Name	Payroll Date	National Insurance No	
777564	Sally James	02/03/2014	NK676767H	
Payments			Deductions	
	Units	Rate	Amount	Amount
Salary	1	2000.00	2000.00	PAYE Tax 382.60
Bonus	1	500.00	500.00	Nat Insurance 246.52
Overtime	20	10.00	200.00	Pension 100.00
Sally James No 5 Big House Long Street Smiley Town Gorgeous County PC27 8RD			This Period	Year To Date
			Pay 2700.00	Pay 29700.00
			PAYE Tax 382.60	PAYE Tax 4208.60
			Nat Insurance 246.52	Nat Insurance 2711.72
			Pension 100.00	Pension 1100.00
Pay Method	Period No	Dept	Tax Code	Pay Period
Bank	11	Sales	944L	Month
Net Pay				1970.88

What is the take home pay?

How much tax was paid?

How often is this person paid?

How do you know?

How many hours of overtime did they do?

How much per hour do they get paid for overtime?

PAYSLIP FOR
 Jack Black
 1 Jet Street
 Blackville TAS 3333
 Classification: Waste of space

PAID BY
 Joey's Diner Pty Ltd
 Mark St
 BAYSWATER VIC 3153
 ABN 84 111 122 223

EMPLOYMENT DETAILS
 Pay Frequency: Fortnightly
 Employment Basis: Casual
 employment



Pay Period: 02/12/2013 - 15/12/2013 Payment Date: 18/12/2013 Total Earnings: **\$2,000.00** Net Pay: **\$1,200.00**

			THIS PAY	YTD
SALARY & WAGES				
Commission	1.0000 Hours	RATE \$2,000.0000	\$2,000.00	\$2,000.00
Other Previous Earnings				\$11,500.00
TOTAL			\$2,000.00	\$13,500.00

			THIS PAY	YTD
TAX				
PAYG Tax			\$930.00	\$6,278.00
Manual Adjustment			(\$130.00)	(\$130.00)
TOTAL			\$800.00	\$6,148.00

			THIS PAY	YTD
SUPERANNUATION				
SGC - Spectrum (old) use: Spectrum Super (IOOF Portfolio Service Super Fund) - 8899			\$185.00	\$1,248.75
TOTAL			\$185.00	\$1,248.75

	ACCRUED	USED	BALANCE
LEAVE			
Annual Leave in Hours	0.00	0.00	5.77

		REFERENCE	AMOUNT
PAYMENT DETAILS			
(063-123)***712	Jack Black	Bank account	\$1,200.00

Earnings	Rate	Hours	Amount
Ordinary time	25.30	38.00	961.54
Total gross earnings			961.54
Taxable income			961.54
Less PAYE			170.57
Less post-tax deductions			
KiwiSaver Employee 2.0%			19.23
Student Loan Repayment			59.40
Take home pay			712.34
Annual leave available	32.00 hours		
Sick leave available	4.00 days		
Alternative holidays available	2.00 days		

How often is Jack being paid?
 When will he receive the money?
 What is his net pay?
 How much tax has he paid?
 What percentage is that of his income?
 What could be the reason his tax is so high?
 How much super has he achieved?
 What percentage is that of his pay?

How many hours did the employee work?
 How much per hour are they earning?
 How much tax did they pay?
 What type of employee are they?
 What are post-tax deductions?

- A standard week is 38 hours (5 x 8 hours days with a half hour break)
- In full time employment, it takes 13 work days to accumulate 1 day of annual leave
- The usual sick leave entitlement is 5 days per year – these often don't amalgamate

How should you respond if you think there are errors on their pay advice statement?
 Who do you address this with?
 What if the query is not resolved?

If I gave you \$100 what would you buy?

If I gave you \$100 and told you to buy something that would be worth \$1000 in 10 years – what could you buy?

<http://www.dailymail.co.uk/news/article-2352919/Incredible-time-capsule-vintage-Chevy-cars-discovered-locked-away-dealers-garage-17-years--ONE-mile-them.html>

What is a "mint"?

What is "mint condition"?

Why are items more valuable in mint condition?

Superannuation rules state you may not use your assets.

What does this mean for:

- Cars
- Stamps
- Coins
- Toys
- Comic books
- Jewellery
- House
- Land

Why do think this rule has been made?

What does "at arm's length" mean?

Check your progress: Superannuation

1. How much super should you be paid?
2. Whose money is this?
3. What does super choice mean?
4. What is a SMSF?
5. What is the first rule set for super regarding use or keep?
6. What does it mean "at arms length"?

<https://www.youtube.com/watch?v=trfDqkJYEBc>

Managed Funds:

1. Why is there an advantage to using super as savings account?
2. What are "conservative" funds"?
3. What are the factors that affect the balance at retirement?
4. What ways can funds be compared?

