



# HOW TO CALCULATE YOUR FINANCES

When completing an **Income and Expenditure (I&E)** to work out your finances, you should calculate all earnings and expenses using a calendar month basis. This puts everything at an equal level and makes things that little bit easier to understand.

## HOW TO CONVERT EARNINGS INTO A CALENDAR MONTH BASIS

Everyone gets paid differently and your employer or benefits provider will be able to explain how often you receive your income. Check your employee contract or benefits paperwork if unsure.

You may be paid either:

- Weekly
- Fortnightly
- Every four weeks (as most benefits are)
- Monthly

To convert your earnings into a calendar month basis, you need to know how much you'd go on to earn in a year and divide this by 12 – the number of months in a year.

So, let's say your income is £100 a week, £200 a fortnight or £400 every four weeks – it's the same amount paid over different periods. Here's how you'd work your earnings for each calendar month:

### WEEKLY

Multiply your weekly earnings by 52 to work out what you'd get in a year. Then divide this by 12 to work out what this equates to each month.

**£100 a week x 52 weeks = £5,200 a year**  
**£5,200 a year ÷ 12 months = £433.33 a month**

### FORTNIGHTLY

Multiply your fortnightly earnings by 26 to work out what you'd get in a year. Then divide this by 12 to work out what this equates to each month.

**£200 a fortnight x 26 weeks = £5,200 a year**  
**£5,200 a year ÷ 12 months = £433.33 a month**

### EVERY FOUR WEEKS

Multiply your four-weekly earnings by 13 to work out what you'd get in a year. Then divide this by 12 to work out what this equates to each month.

**£400 every four weeks x 13 weeks = £5,200 a year**  
**£5,200 a year ÷ 12 months = £433.33 a month**

### SPEAK TO AN EXPERT

If you need some advice and want to talk about your money worries with a professional, PayPlan are here to help. You can call us for free on **0800 280 2816** or chat to us online at **www.payplan.com**

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