



**READY TO WORK, GO: WORLD OF WORK  
AND SOCIAL SECURITY**

- Your first paycheck marks the start of adulthood, bringing with it the responsibility of managing your own finances and the journey towards financial independence.
- It is crucial to plan and budget for major life events, such as wedding preparations, home ownership, parenthood and retirement.
- Invest early to grow wealth, diversify assets, and plan for retirement.

# LEARNING OUTCOMES

By the end of this unit, you will be able to:

- Understand the financial implications of entering the workforce.
- Identify key financial considerations when evaluating job offers.
- Distinguish between gross and net income.
- Identify common payslips deductions and their purpose.
- Understand basic tax obligations.
- Explore different types of work.
- Understand the main types of benefits provided by Social Security (retirement, disability, survivor).
- Recognize the importance of Social Security as part of a broader financial plan.
- Know how to access basic information about their Social Security contributions and potential benefits (e.g., creating an online account).

# THE FIRST MONEY

The weekly or monthly pocket money given by parents is probably the first money you got. In some cases, this pocket money was conditioned by the grades you received at school, whether you helped with the housework, and so on, but why?

Receiving pocket money is great per se, but it's also a great learning opportunity. You get to understand the value of money, how to handle it responsibly, and how to plan, save and invest it.

It is important to be aware of where the money comes from, and that it is necessary to work to get it. That's probably why you feel so fulfilled when you earn money for the first time on your own.

### **Tips for making your first money:**

- Second hand market or online applications. Sell things you no longer need in a second hand market or online.
- Run errands for relatives in exchange for money.
- Work as a babysitter or pet sitter
- You can also take advantage of new technologies and use them to earn some money. You can for instance:
  - Sell stock photos and videos online, if photography and videography are your passion.
  - Be an (online) tutor or teach others how to use technology (or any other field you are good at).
  - Take part in (online) surveys. Universities are often looking for participants.
  - Test games. You can earn money being a 'game tester', but for this you will need certain programming skills.
- At the legal age, you can also have a part-time job or a summer job.
- When you are over 18 years, other options are open such as working as a shop assistant, in a supermarket, or as a waiter in a café. At this age, it's possible that you will earn a bit more money and you will be free to decide what to do with it. It is not the same for everyone, some will earn their money earlier and others later, the important thing is to be aware of its value and be responsible with it.

# LET'S REFLECT – “MY FIRST PAY”

## *Think-Pair-Share*

**Your first paycheck or payment from a gig—how did you feel? What did you do with it?**

- Did you spend it, save it, or share it?
- What would you do differently next time?
- Write your answers. Then share with a partner.

## Your employment contract

- If you're working, you should have an employment contract, regardless of your employment status.
- While most employment contracts are in writing, they can also be verbal (oral) contracts.
- Oral contracts have the same legal authority, but it can be much harder to prove what was agreed.
- Having a written contract gives you more certainty over your status and can make it easier to resolve any disputes.
- Even if you're not given a written contract, you're entitled to a written statement outlining your main employment terms.
- This should give you details of your:
  - o job title
  - o pay
  - o hours of work
  - o access to in-work benefits, such as sick pay and holiday entitlement
  - o employment start date and notice periods.

## Express terms

- Express terms are parts of your contract that are specifically mentioned, either in writing or agreed orally, by both you and your employer.
- These might include:
  - sick pay
  - redundancy pay
  - hours of work, including overtime hours
  - how much notice is needed to end the contract
  - how much you'll be paid (including overtime and bonus pay)
  - holiday pay, as well as how much time you're entitled to take off. Most full-time workers are entitled to 28 days, and part-time workers get the same amount, in proportion to the number of days or hours they work.
- Express terms can be found in your work contract, but also:
  - the job advert
  - any letters you receive from your employer
  - documents you were asked to sign, such as a staff handbook or manual.
- Make sure you keep copies of all documents your employer gives you. This makes it much easier if there's a dispute about your contract.



## Implied terms

- Implied terms aren't written down in a contract, but would be expected behaviour and can be included in most employee contracts.
- For example, you won't steal from your employer and you won't give away confidential information.
- Your employer must provide a safe working environment and shouldn't ask you to do anything illegal, such as drive an uninsured vehicle.
- Terms might also be implied through custom and practice.
- This is where arrangements have never clearly been agreed, but over time have become part of the contract. Examples of this might include finishing early on a Friday, or a Christmas bonus.
- For an entitlement to become established by custom and practice it must usually be:
  - uninterrupted
  - long standing
  - automatically received
  - expected and well-known.

# THE PAYSリップ

All employees and workers are entitled to an individual, detailed written payslip – when, or before, they're paid. Your written payslip doesn't have to be on paper – it can be sent to you by email or accessed through a website. The right to a payslip applies to casual staff as well as employees. It doesn't apply to independent contractors or people working freelance.

Your payslip must show the information below.

- Gross pay. Your full pay before any tax or National Insurance has been taken off.
- The total amount of take-home pay after deductions. This is called your net pay.
- The amounts of any deductions that change from payday to payday, and what the deductions are for. These are known as variable deductions. They include tax and National Insurance.
- The total amount of any fixed deductions. These are deductions that don't change from payday to payday – for example, union dues. An employer doesn't have to give details of what these deductions are for, if they give a separate statement with these details at least once a year.
- The amount and method of any part payment. For example, separate figures of a cash payment and the balance credited to a bank account.
- The number of hours worked if your pay varies by the amount of time worked.
- Your employer might include extra information on your payslip which they don't have to provide. For example, your: tax code
- National Insurance number
- Pay rate (annual or hourly)
- Extra payments, such as overtime, tips or bonuses. These must be included in your gross pay figure.

# UNDERSTANDING PAYSLIP DEDUCTIONS & TAXES

## Common Payslip Deductions:

The most common deductions and their purpose are:

- **Income Tax:** Contribution to government services (e.g., roads, education, healthcare).
- **Social Security/National Insurance (or equivalent in your country):** Provides benefits for retirement, disability, and survivorship.
- **Medicare/National Healthcare (or equivalent):** Funds healthcare programs.
- **Pension/Retirement Contributions:** Money set aside for retirement (e.g., 401k, company pension).
- **Health Insurance Premiums:** If provided through the employer.
- **Other deductions:** Union dues, charitable contributions, etc.

# WHAT WOULD YOU DO IF...?

Your bank account dropped to €0 a week before payday and rent is due?

- Discuss with a partner.
- Brainstorm at least 3 responsible options.
- Share one solution with the group.

# DIFFERENT TYPES OF WORK

## Self-Employed

A self-employed individual works for themselves rather than for an employer. They do not have a traditional employment contract with a company that pays salaries and provides benefits.

- **Employment Relationship:** They are the owners of their own business or profession.
- **Control:** They have full control over their work, hours, rates, and clients.
- **Taxation and Benefits:** They are responsible for paying their own taxes (such as income tax, social security contributions), health insurance, and other benefits. They do not receive company benefits like health insurance or pension plans from an employer.
- **Examples:** Freelancers (e.g., graphic designers, consultants, writers), artisans, small business owners.

## Employee with a Contract

An "employee with a contract" is a worker who has a formal and continuous employment relationship with a company or organization. This relationship is governed by an employment contract that sets out terms and conditions.

- **Employment Relationship:** They work for an employer under a contract.
- **Control:** The employer controls how, when, and where the work is performed. They are subject to the company's policies and procedures.
- **Taxation and Benefits:** The employer handles tax deductions and social security contributions directly from their paycheck. Contract employees receive benefits such as a fixed salary, paid vacation, sick leave, health insurance, pension contributions, and often greater job stability and security.
- **Examples:** Office workers, factory workers, teachers hired by a school.

## Employee of the Gig Economy

The term "gig economy" refers to a labor market characterized by the prevalence of short-term or freelance positions rather than permanent jobs. Gig economy workers often perform tasks or "gigs" for various platforms or clients. Their legal classification can vary (sometimes they are considered "contractors" or "self-employed" by the platforms, other times there are debates about their classification as employees).

- **Employment Relationship:** They often work as independent contractors for digital platforms that connect them with clients (e.g., food delivery services, ridesharing, online freelance work).
- **Control:** They may have more flexibility over hours and which "gigs" to accept, but the platforms often set the rates and terms of service.
- **Taxation and Benefits:** Generally, they are treated as self-employed by the platforms, meaning they are responsible for their own taxes, insurance, and benefits. Income stability can be variable.
- **Examples:** Food delivery riders, ridesharing drivers, freelancers who find work through online platforms.

# LOCAL STORY - BULGARIA

Nikolai, 21 (Sofia)

Studies engineering and shares a flat with 2 roommates. His monthly costs:

- Rent: €180
- Utilities: €40
- Food: €100
- Mobile: €15
- He works part-time at a café and uses the **Wallet app** to track spending. He started saving €25/month using auto-savings.
- **Reflection:** Could you manage this lifestyle? What would you change?



# LOCAL STORY - ITALY

Giulia, 23 (Naples)

Freelancer in graphic design. She uses **Revolut** for budgeting and short-term investing.

- Takes seasonal work in summer to supplement income.
- Struggles with irregular pay and long invoice wait times.
- **Group Task:** How can she use tech tools to build a more stable budget?

# LOCAL STORY - GREECE

Andreas, 19 (Thessaloniki)

Lives with parents, studies economics. He joined a peer budgeting workshop at his youth center.

- Uses Plum app to set aside €1/day.
- Learned about insurance and payslips from an older cousin.
- Discussion: What money advice would you give Andreas as he starts his first part-time job?

# **!LOCAL STORY !**

Facilitator can add here youth stories from BG/GR/IT; migrant/NEET voices.

# DIGITAL TOOLS FOR YOUR FINANCIAL JOURNEY

Explore these apps:

- Wallet – track daily spending and set goals
- Plum – auto-save and invest small amounts
- Revolut – virtual budgeting, cards, and crypto basics
- YNAB (You Need A Budget) – plan every euro

*Vote in the group: Which one would you try first? Why?*

# WHAT IS SOCIAL SECURITY?

Social Security is a social insurance program that provides financial protection to millions of people. It's a "pay-as-you-go" system: current workers contribute to pay the benefits of current retirees and beneficiaries. It's not a personal savings account where *your* money sits waiting for *you*.

## Who Pays & How Much?

- **Employee Contribution:** a percentage of your earnings (up to a certain income limit) is withheld from your paycheck.
- **Employer Contribution:** employers also pay a matching percentage on behalf of their employees.
- **Self-Employed:** self-employed individuals pay both the employee and employer portions.

## The Three Pillars of Social Security Benefits

- **Retirement Benefits:**

- This is the most well-known. People receive monthly payments when they retire, based on their earnings history and age.

- **Disability Benefits:**

- Provides income to people who are unable to work due to a severe medical condition that is expected to last at least a year or result in death.

- **Survivors Benefits:**

- Provides payments to family members (e.g., spouse, children) of a worker who has died.

# ITALY – KNOW YOUR RIGHTS AT WORK

First Job? Know this:

- **Minimum wage:** No national minimum wage law, but most jobs are covered by collective agreements (CCNL).
- **Standard contract:** Contratto di apprendistato or a short-term (tempo determinato) contract.
- **Payslip deductions:** Contributions to **INPS** (pension + unemployment), **IRPEF** income tax.

Social Security:

- **INPS (Istituto Nazionale della Previdenza Sociale)** handles:
  - Unemployment support (NASPI)
  - Youth allowance (Assegno Giovani)
  - Family support payments
- **Useful Links:**
  - <https://www.inps.it>
  - <https://www.garanzia giovani.gov.it>
  - *Did you know?* Garanzia Giovani offers job matching, training, and apprenticeships for NEET youth under 29.

# **GREECE— KNOW YOUR RIGHTS AT WORK**

THE FACILITATOR SHOULD ADD SOME INFORMATION  
ABOUT THE NATIONAL CONTEXT



# **BULGARIA– KNOW YOUR RIGHTS AT WORK**

THE FACILITATOR SHOULD ADD SOME INFORMATION  
ABOUT THE NATIONAL CONTEXT

# CONCLUSIONS

1

- **Financial Responsibility Starts Early:** Your first paycheck signals the beginning of adult financial responsibilities, requiring budgeting and planning for major life events.

2

- **Understand Your Contract:** Regardless of employment type, always have an employment contract (preferably written) to clarify terms, pay, hours, and benefits, ensuring easier dispute resolution.

3

- **Know Your Work Type:** Be aware of the differences between self-employed, traditional employee, and gig economy work, as each impacts your control, taxes, and benefits differently.

4

- **Social Security is Key:** Social Security is a vital program providing retirement, disability, and survivor benefits; understand your contributions and potential benefits as part of your overall financial plan.



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