Correcting Gross and Net Pay

Correcting Errors · https://paiyroll.com/kb/correcting-gross-and-net-pay/

Follow this guide to understand how to process corrections, and create new pay definitions that can **adjust** gross or net pay (positive or negative).

Overview

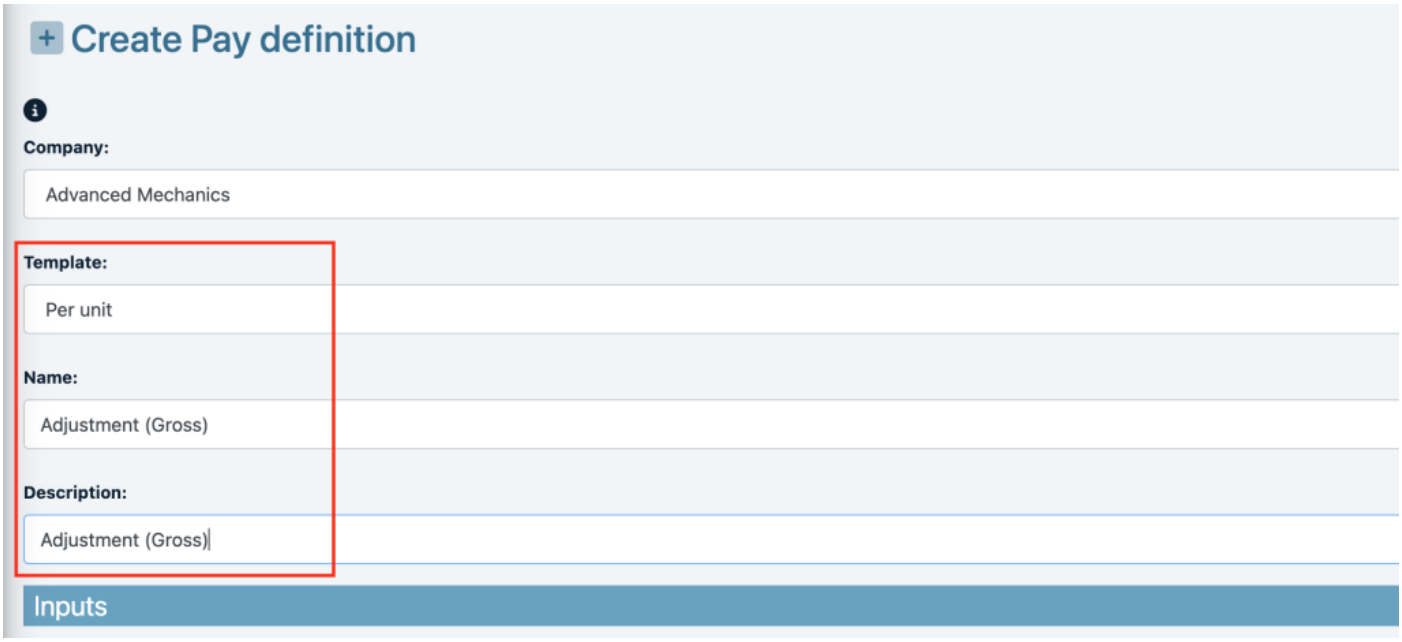
The table below shows the various destinations and the values that require correction:

Destination	**Period pay corrections**	**YTD (year-to-date) corrections**
Banks	Banks do not provide a way to process refunds. The employee will need to transfer any net amount back to the employer	na
Pension Providers	In general, pension providers do not have an upload or API mechanism for prior period amendments. You will need to contact the provider for any correction process.	na (usually)
HMRC (current tax year)	Not used, but included in the submission	Update the year-to-date figures in the next regular FPS: - Employee Gross Pay and Tax are posted into the employee's *personal* tax account -Tax and NI Liabilites are posted into the employer *business* tax account
Bookkeeping/Finance systems	Updated negative values in journal	na (usually)

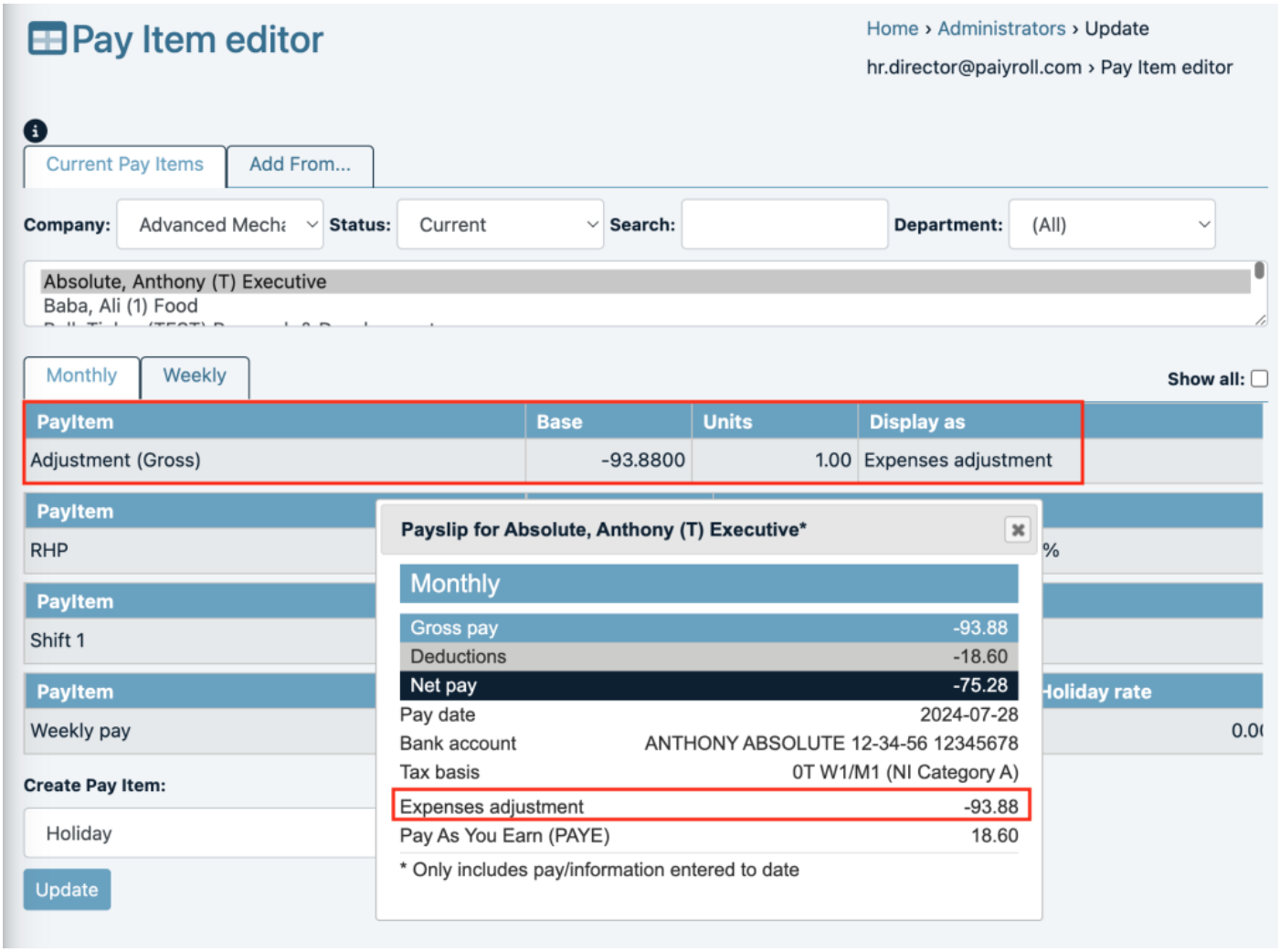
Gross Pay

Correct employee gross pay with a negative gross pay value.

Company Setup > Pay Definitions > Add... a new Pay Definition as below.

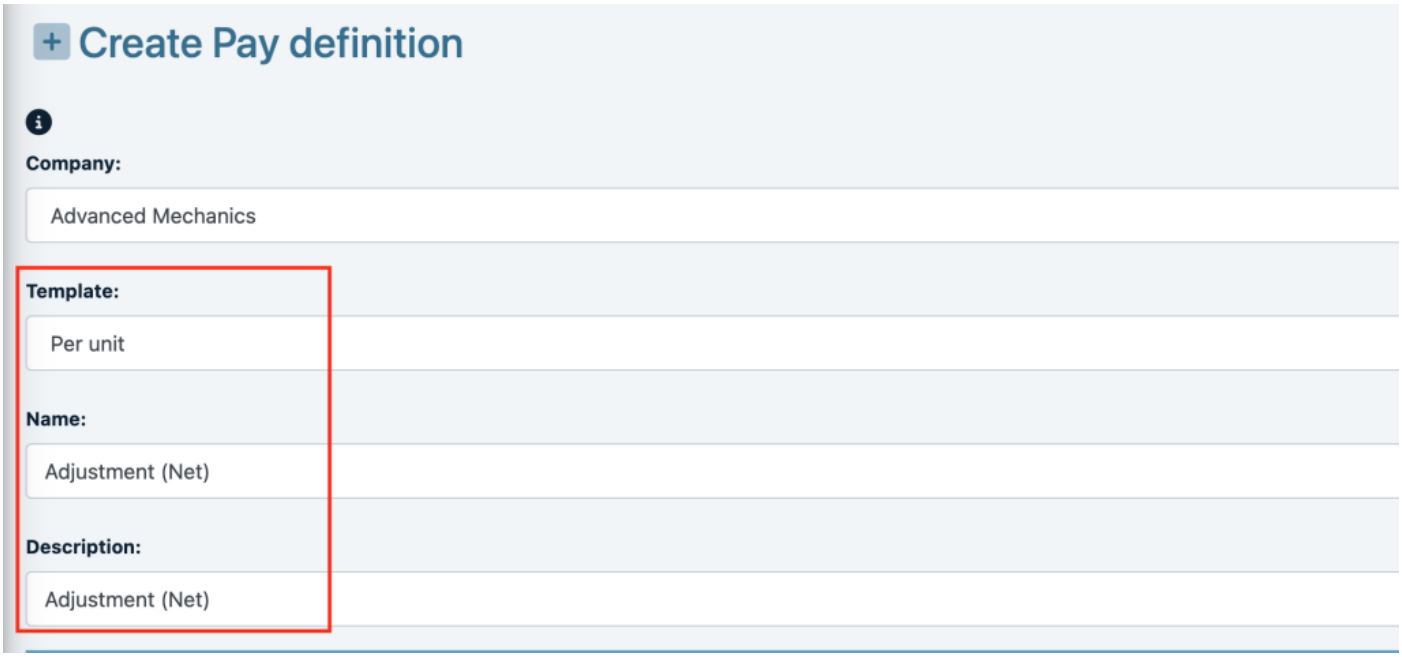


When you add this to the **Pay Item Editor**, you will be able to enter a description for the adjustment in the Display As

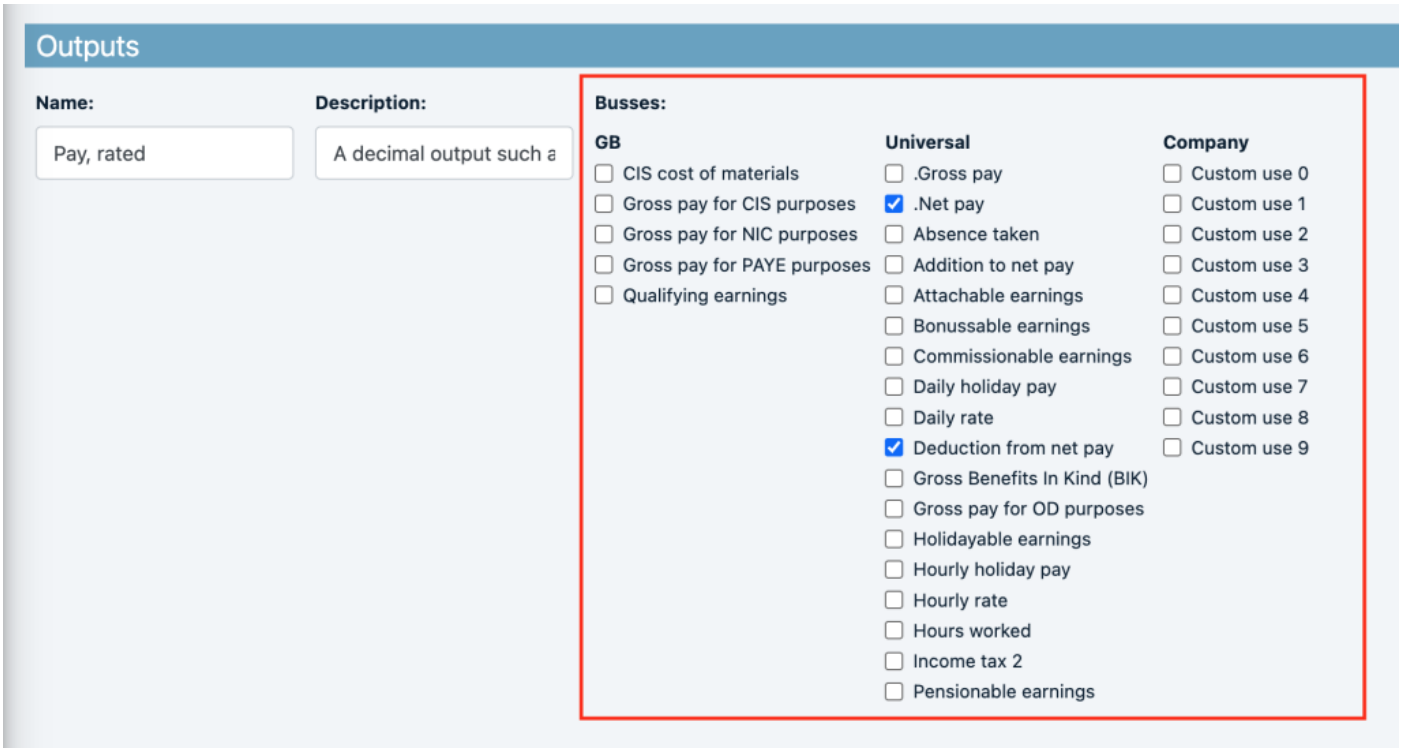


Net Pay

Company Setup > Pay Definitions > Add... a new Pay Definition as above but call it **Adjustment (Net)**:



IMPORTANT: You must change the Outputs to make this a net pay definition by clearing all busses except **.Net pay** and **Deduction from net pay**



Click **Add** to Save the Pay Definition.

In the **Pay Item Editor** add this item to the employee and enter the appropriate **Base** amount, **Units** (can be 1) and whatever **DIsplay as** you prefer to explain the net adjustment on the payslip.

Examples

1. You paid 99.28 as Gross pay but it should have been Net pay. Correct by adding **-99.28 Adjustment(Gross)** and **+99.28 Adjustment (Net)**