Correcting wrong pay or deduction in the next HMRC submissions

Correcting Errors · https://paiyroll.com/kb/correcting-wrong-pay-or-deduction-next-hmrc/

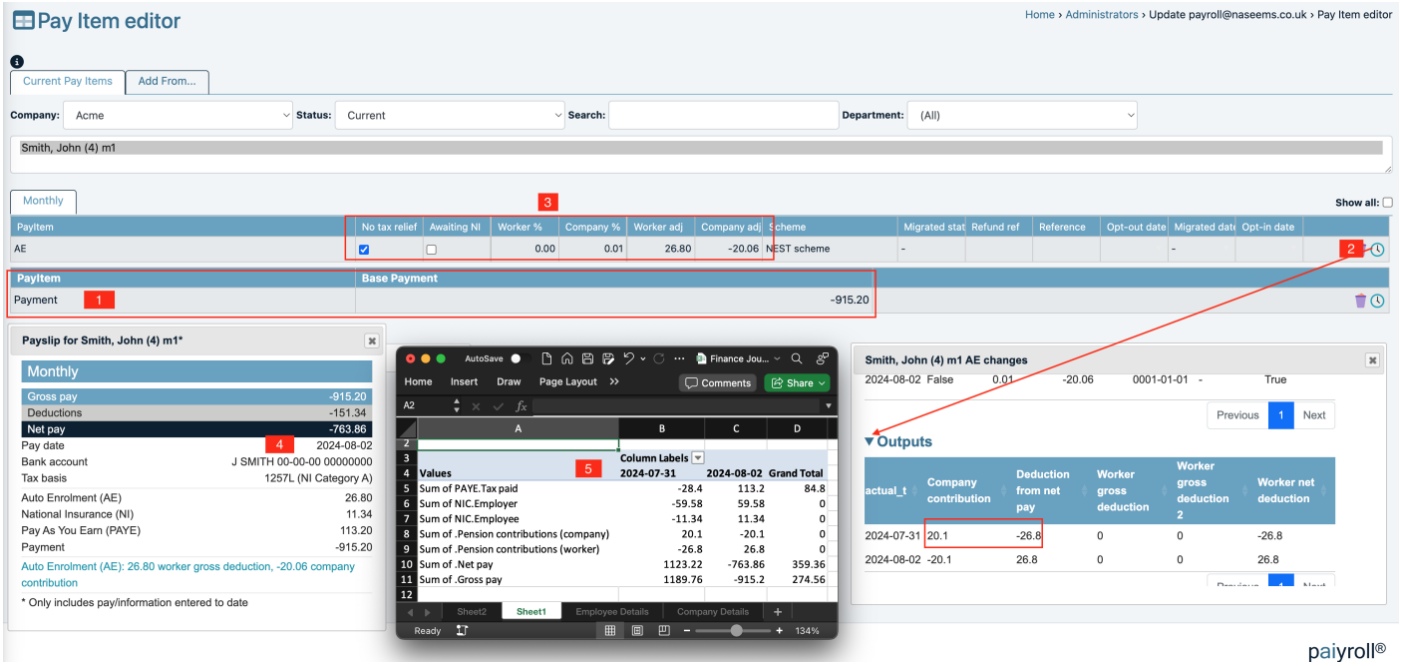
Follow this guide to correct a pay run error for which the FPS has been submitted. This follows HMRC's guidance, which is to update the year-to-date figures (YTD) in your next regular FPS.

This is accomplished by adding a negative pay value to negate an overpayment and correct all YTD figures. The same approach will also work for an underpayment. This approach has the advantage of correcting all year-to-date figures, not just for Full Payment Submission (FPS), but also for any journals.

Payrun, HMRC Submission and Journals

Make all edits in the **Pay Item Editor.** In the example below, the erroneous pay run is dated 31st of July.

1. Add a **negative Gross payment** to correct for the gross pay that should have been paid. This will also correct PAYE and NIC and net pay
2. If you need to correct the AE pension, use the history **clock** in the Pay Item editor to check the previous **Output** amount to negate.
3. Adjust the AE pay item by adding the minimum company % possible (0.01), the worker adjustment value with no tax relief and the company adjustment value - in this case, the company adjustment is 4p less than the amount because we can only set the company percentage to 0.01%. [alternatively, you may be able to set the scheme company percentage to 0 if other workers are not affected, but you will need to ensure you put it back before the next pay run].
4. Correct this in your next pay run, or add a custom run at the earliest possible date if you wish to keep everything in one tax month - the example below has used 2nd August
5. After a pay run **redo** check **My Analytics** that both pay runs result in all the values expected



Once all the figures have been verified, you can approve the pay run.

Pension

Depending upon the pension provider, you may need to adjust or process a negative amount separately.