Pay employees twice a month (bi-monthly)

Pay runs · https://paiyroll.com/kb/pay-employees-twice-a-month/

Paying twice a month

paiyroll® can pay employees twice a month, for example on the 15th and at the end of the month. Some people call this bi-monthly or semi-monthly pay.

HMRC has no twice-a-month pay frequency. So you keep the monthly Pay Schedule, and add a custom pay run in the middle of the month. A custom pay run is a full pay run: it generates payslips and sends an FPS to HMRC. Each employee gets two payslips each month. Tax and NI are cumulative for the month: the second pay run takes account of the first, so the employee does not pay too much.

Each pay run pays what you enter for it, in a **Payment** Pay Item or another Pay Item, such as one paid per unit. After each approval, the value goes back to zero, ready for the next pay run.

Before you start

The company must have a monthly Pay Schedule. See Set up a Pay Schedule.

Pay on the 15th

1. Click **Pay Item editor**, then select an employee.
2. Enter the pay for the 15th in a **Payment** Pay Item, or in another Pay Item such as one paid per unit. If the employee does not have the Pay Item, click **Create Pay Item** and select it.
3. Do steps 1 and 2 for each employee paid on the 15th.
4. Start a custom pay run on the monthly Pay Schedule, with the 15th as the pay date, and select the employees: see "Custom Pay Run" in Starting a Pay Run.
5. Check the payslips in **Documents**. If something is not correct, change it, and in **Pay runs**, click **Redo** on the custom pay run.
6. Approve the custom pay run.

The employees get their first payslip of the month, and the FPS goes to HMRC.

Pay at the end of the month

1. Click **Pay Item editor**, then select an employee.
2. Enter the pay for the end of the month.
3. Do steps 1 and 2 for each employee.
4. In **Pay runs**, click **Redo** on the monthly pay run.
5. Check the payslips in **Documents**.
6. Approve the monthly pay run.

The employees get their second payslip of the month.

Next steps

- Starting a Pay Run