



# Case Study: Resolving Salary Discrepancies for our Client

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## The Problem?

Our client reached out due to an error in the HMRC (Her Majesty's Revenue and Customs) portal where the salaries of two employees, Sabina Ng and Rachel Ng (mother and daughter), were being incorrectly combined into Rachel's account. Despite accurate submissions from client side, Sabina's salary of £2,500 was being erroneously added to Rachel's salary of £500 in Rachel's HMRC account, resulting in an incorrect total of £3,000. This discrepancy caused Rachel to be taxed incorrectly and her tax code to change monthly.



## Corient Solutions

- **Challenge 1: Incorrect Salary Allocation**
- **Problem:** Despite submitting salaries correctly, Sabina's salary was being attributed to Rachel's account in the HMRC portal due to a change in their reference numbers in April 2023.
- **Solution:** Identify and correct the reference number issue to ensure that salaries were allocated to the correct accounts.
- **Challenge 2: Difficulty in Obtaining Information from HMRC**
- **Problem:** HMRC initially did not provide personal details or specific assistance, and their advisor was unfamiliar with the error.
- **Solution:** Obtain authorisation from the affected employee (Rachel) to directly discuss and resolve the issue with HMRC.

## How Did We Overcome These Challenges?

- **Initial HMRC Contact:** Contacted HMRC multiple times to report the issue, but could not obtain detailed information or assistance due to the unusual nature of the error.
- **Employee Authorisation:** Arranged a Zoom meeting with Rachel Ng to explain the issue and secure her authorisation to act on her behalf with HMRC.

“  
To be the best accountant  
is to be the keeper of  
financial truths.

– Michael Johnson  
”

- Detailed Explanation to HMRC: With authorisation, contacted HMRC's Employees Helpline and explained the situation, discovering that the problem stemmed from a change in reference numbers in April 2023.
- Reprocessing Salaries: Using HMRC's Basic PAYE Tools, reprocessed the Year-to-Date (YTD) figures for both Sabina and Rachel separately and resubmitted them to HMRC.
- Creation of New Records: To prevent recurrence, declared both employees as leavers at the end of the financial year and created new records for them with correct reference numbers in the new financial year.

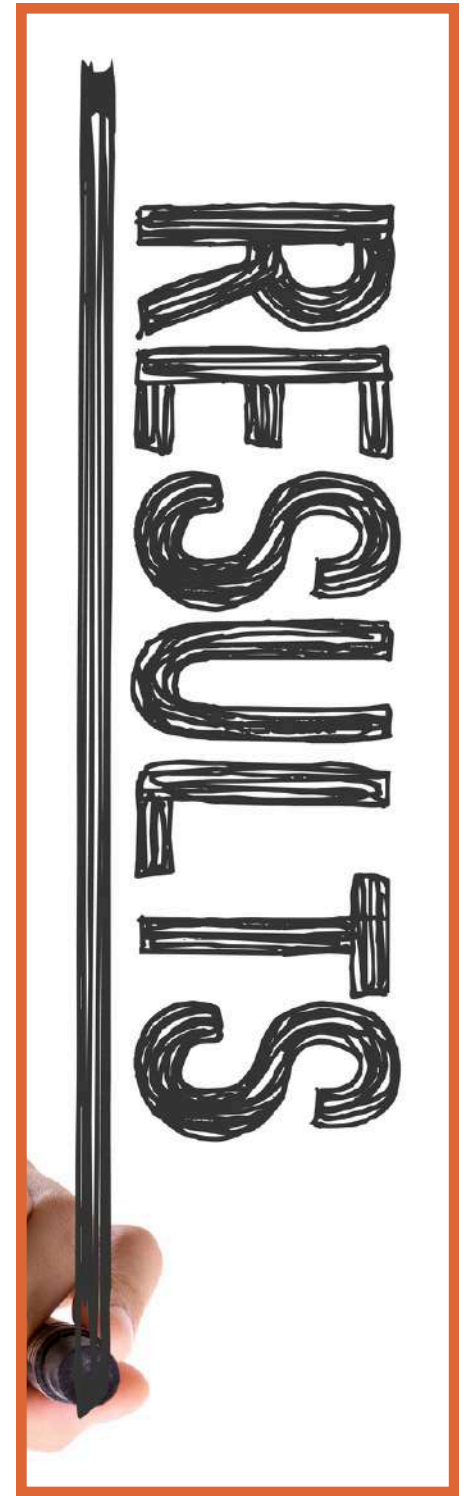
## What Results Were Achieved?

- Correction of Salary Records: Successfully corrected the salary allocations for Sabina and Rachel in the HMRC portal, ensuring accurate tax records for both employees.
- Resolution of Tax Issues: Resolved the issue of incorrect tax codes and excess tax payments for Rachel by accurately reporting her salary and separating it from Sabina's salary.
- Prevention of Future Errors: Implemented a preventive measure by creating new records with correct reference numbers, minimising the risk of similar issues occurring in the future.
- Client Satisfaction: The client was satisfied with the prompt and effective resolution of the salary discrepancies and the preventive steps taken.

## Conclusion

This case demonstrates the complexities of payroll management and the importance of precise record-keeping and communication with HMRC to resolve discrepancies. By obtaining direct authorisation from the affected employee, we were able to navigate the HMRC system effectively and address the reference number issue causing the error.

Ensuring accurate salary processing and proactive management of employee records can significantly reduce administrative errors and tax complications, thereby enhancing the reliability of payroll systems and client satisfaction.



**The best accountants don't just manage money; they mold financial destinies.**

– David Taylor