

PAYROLL
CASE
STUDY

**RESOLVING PAYROLL
DISCREPANCIES: A CASE STUDY
FOR HERTS RADIOLOGY LTD**

 +44 24 7610 3333

 www.corientbs.co.uk

 The Techno Centre, Puma Way, Coventry, CV1 2TT,
United Kingdom



Introduction

Herts Radiology Ltd encountered a complex payroll issue that resulted in incorrect salary allocations on the HMRC portal. Despite submitting salaries correctly, the discrepancies led to tax complications for their employees. This case study details how Corient, a leading provider of payroll outsourcing services, identified and resolved the issue, ensuring accurate payroll records and compliance with HMRC requirements.

The Problem?

Herts Radiology Ltd reached out to Corient with a critical payroll issue. Salaries for two employees, Sabina Ng and Rachel Ng (mother and daughter), were incorrectly recorded in the HMRC portal. Although salaries were submitted correctly, Sabina's salary of £2,500 was mistakenly allocated to Rachel's account. Rachel's salary was £500, but her HMRC account showed £3,000, leading to higher tax demands and frequent tax code changes by HMRC.

Corient Solution

To address the problem, Corient identified the following solutions:

- **Splitting Salaries:** Recognizing that the issue began when the reference numbers for Sabina and Rachel were changed in April 2023, causing Sabina's salary to be credited to Rachel's account.
- **Reprocessing YTD Figures:** Decided to reprocess both employees' Year-To-Date (YTD) figures separately on HMRC's Basic PAYE Tools and submit the corrected figures to HMRC.
- **Creating New Records:** Planned to make both employees leavers at the end of the financial year and create new records to prevent the issue from recurring.



**The best accountants
are the architects of
financial legacies.**

– Laura Anderson



Challenges Faced

During the implementation, several challenges were encountered:

- **Lack of Information from HMRC:** Initial calls to HMRC were unproductive as they did not provide employee personal details, and the advisor was unfamiliar with the error.
- **Complex Error:** The error was unique and not previously encountered by the HMRC advisor, complicating the resolution process.

Overcoming the Challenges

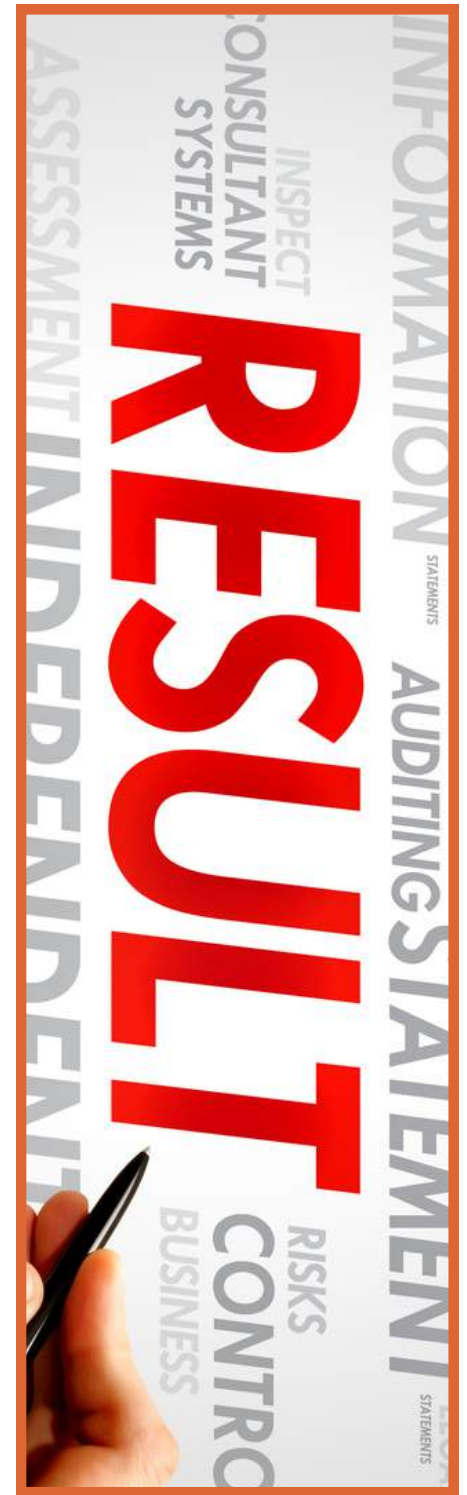
To overcome these challenges, Corient:

- **Client and Employee Coordination:** Contacted the employee directly and set up a Zoom meeting to obtain authorisation to speak with HMRC on her behalf.
- **Detailed Explanation:** After receiving authorisation, contacted HMRC's Employees Helpline, explained the situation, and discovered the issue stemmed from the reference number change in April 2023.

Results Achieved

The following results were achieved:

- **Corrected YTD Figures:** Reprocessed and submitted the separate YTD figures for both employees on HMRC's Basic PAYE Tools.
- **New Employee Records:** At the start of the new financial year, made both employees leavers and created new records, ensuring no recurrence of the issue.



“
Behind every good
business is a great
accountant.

– Anonymous
”



Client Benefits

Herts Radiology Ltd and their employees experienced several benefits:

1. **Accurate Payroll Records:** Ensured salaries were correctly recorded in the HMRC portal, eliminating the discrepancies.
2. **Resolved Tax Issues:** Prevented incorrect tax demands and frequent tax code changes for the affected employees.
3. **Streamlined Future Processes:** By creating new records, ensured smooth payroll processing in future financial years.



Conclusion

Through strategic coordination, detailed problem analysis, and effective communication with HMRC, Corient successfully resolved the payroll discrepancies for Herts Radiology Ltd. This case highlights the importance of meticulous payroll management and proactive problem-solving to ensure compliance and employee satisfaction.



**The road to success and the road to failure
are almost exactly the same.**

– Colin R. Davis

