

# How Corient Fixed Duplicate HMRC Payroll Entries During Entity Transition with FPS Adjustment and NIL Reprocessing

## Highlights

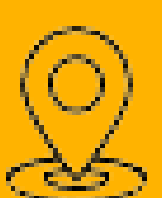
- 1 Resolved duplicate payroll records** across multiple entities in HMRC
- 2 Processed FPS adjustment and NIL payroll** for backdated correction
- 3 Preserved employee personal tax allowances** and avoided overpayment
- 4 Ensured a clean payroll transition** between old and new entities



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## Introduction

When expanding their operations, a business client was in the process of **setting up a new entity** that would be connected to their existing structure. However, delays in the **Payee Registration** for the new entity left them unable to pay a new employee directly through it. To ensure timely salary payments, the client temporarily processed payroll through their **existing entity**.



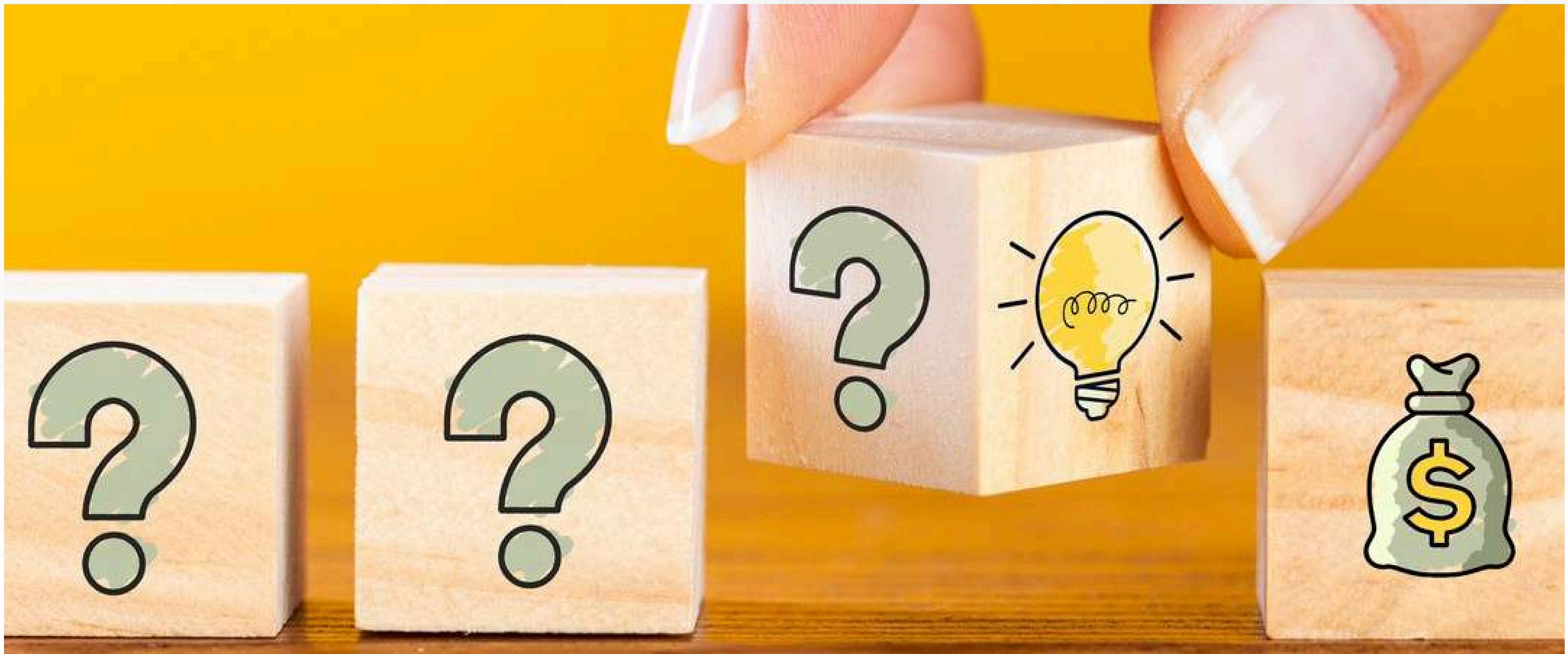
## The Initial Problem: What Went Wrong?

Two weeks later, the client received the **new entity's PAYE reference and account number**. Eager to reflect the full payment history under the correct entity, they added the employee to the new setup and processed the payroll again from the **original start date**. This created an issue—**duplicate payment entries in HMRC records** for the same two-week period.

Such duplication risked **distorting the employee's allowance** and increasing the **employer's National Insurance (NI) contributions**, which could result in compliance complications

## Corient's First Solution: The Fix

Corient stepped in and advised the client that since the employee had already been paid via the old entity, **there was no need to backdate payroll in the new one.** However, the client insisted that all payments be officially recognized under the **new entity only**, making the situation even more complex.



## The New Problem: A Surprise Roadblock

The client's preference meant that the old entity should reflect no payments, and all salary entries should exist solely under the new entity. However, with HMRC already showing duplicate records, a more strategic solution was required—one that ensured both compliance and client satisfaction.



## Corient's Second Solution: Fixing the New Problem

To avoid duplication and comply with HMRC regulations, Corient implemented the following steps:

**Step 1: Rolled back** the payroll for the initial two weeks in the old entity.

**Step 2: Reprocessed those two weeks with NIL salary** under the old entity.

**Step 3: Submitted an FPS (Full Payment Submission) adjustment** to HMRC, indicating NIL payments, effectively removing prior salary entries from the record.

**Step 4: Processed payroll in the new entity from the employee's start date**, ensuring accurate and timely salary distribution.

**Step 5: Verified HMRC records** to confirm that payment appeared **only under the new entity**, preventing any tax or reporting issues.

This precise process not only resolved the duplication but also protected the employee's tax allowance and minimized employer costs. To understand how we manage such technical scenarios, explore our [guide on payroll errors](#).

# OUTCOME



## The Final Outcome: A Success Story

Thanks to Corient's meticulous correction, HMRC records were clean and compliant. Payments were now accurately recorded under the correct entity, eliminating the risk of tax impact on the employee and avoiding additional liabilities for the employer.

## What the Client Said



"Corient provided clarity in chaos. Their deep knowledge and exact execution helped us shift payroll seamlessly, without consequences."

## Key Takeaways: Why This Matters for Businesses

- Transitioning between business entities demands **expert payroll guidance**
- **NIL reprocessing and FPS adjustments are critical** to avoid duplication
- **Payroll errors can be corrected** when handled by specialists

Considering a payroll shift or correction? Discover how our payroll outsourcing services in London ensure clean, compliant, and cost-effective solutions.

**In payroll, precision isn't optional—it's essential.**