

How We Resolved £40K PAYE Error via XERO's Unscheduled Pay Runs

Highlights

- 1 **Resolved a £40,000 PAYE liability** issue caused by a missed deadline
- 2 Overcame **XERO's restrictions** using unscheduled pay runs
- 3 Gained more profound expertise in handling **backdated payroll errors**

Introduction

In April 2025, a long-time client reached out in a state of panic. Their HMRC portal was showing a staggering **£40,000 PAYE liability**—a figure far from accurate. They were transitioning from **SAGE 50 Payroll to XERO Payroll**, and somewhere during that switch, something had gone very wrong. Their accountant couldn't figure it out. So, they turned to **Corient** for a fix.



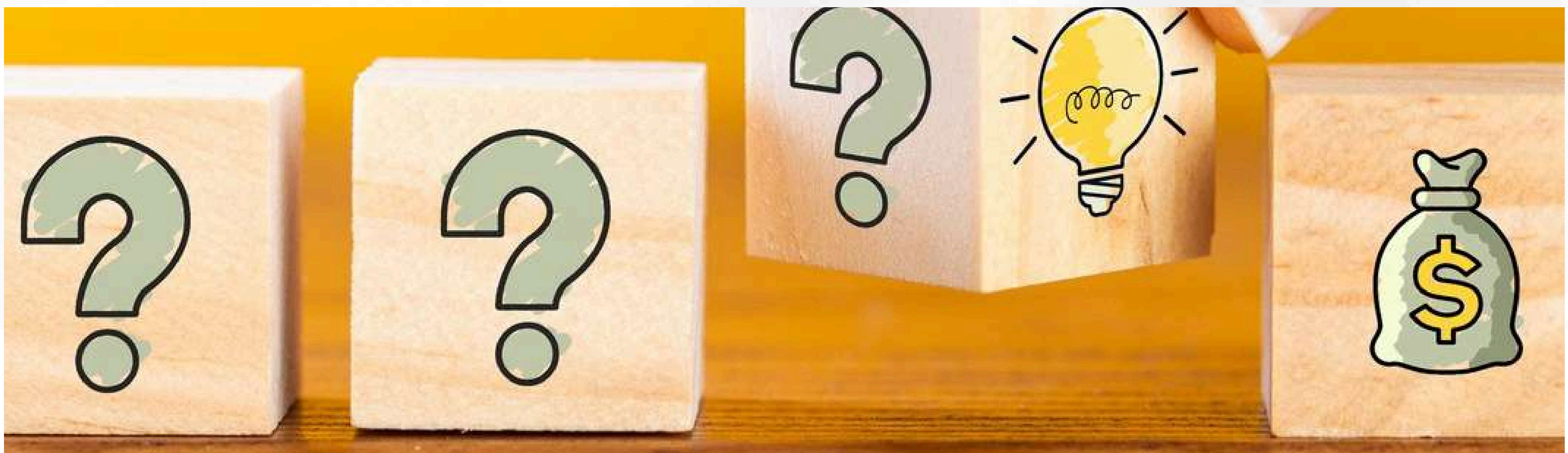
The Initial Problem: What Went Wrong?

After reviewing the case, we identified the issue: the client had **missed submitting their March 2025 pay run in XERO** before the **April 19 tax year-end deadline**. Due to this oversight, they were unable to process or submit their **April 2025 pay run**, resulting in incomplete records. This resulted in HMRC reporting an inflated PAYE liability. Worse, XERO's system **does not allow pay runs for a previous tax year to be submitted after the deadline**, and their accountant wasn't sure how to resolve the backlog.

Corient's First Solution: The Fix

We began by exploring options through **XERO's support channels** and also reached out to **HMRC** for clarity on compliance expectations. However, the responses confirmed our concern—**standard submissions were no longer possible.**

At this stage, we recognised that we needed to think beyond conventional processes.



The New Problem: A Surprise Roadblock

Even with access to both systems, we were hitting walls:

- XERO wouldn't allow a standard March pay run submission
- The April pay run was stuck in limbo
- HMRC records continued to show a high liability

There was no direct option in XERO to correct this, at least not through regular payroll paths.

Corient's Second Solution: Fixing the New Problem

After deeper exploration and a few test scenarios, we found a solution that would work **within XERO's framework** and still keep everything HMRC-compliant:

Step 1: Created an Unscheduled Pay Run

Instead of a regular pay run, we created an unscheduled one for March 2025 and manually input the missing data.

Step 2: Submitted It to HMRC

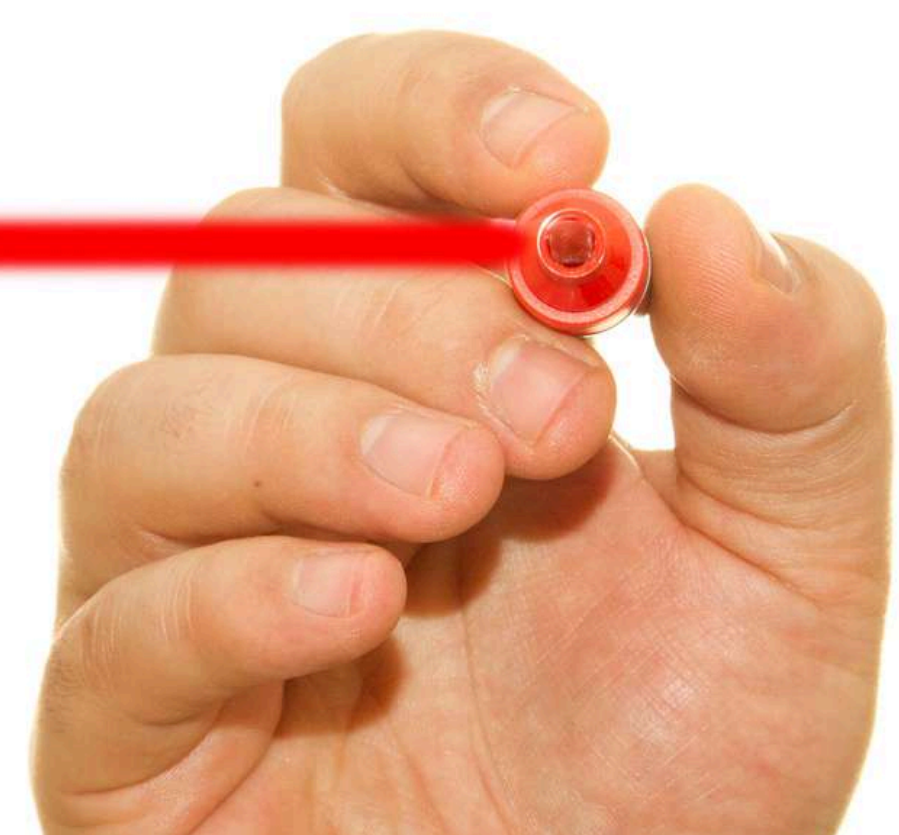
Once the unscheduled pay run was generated, we submitted it through XERO's RTI filing option.

Step 3: Processed April 2025 Payroll

With the March backlog cleared, the April pay run was now unlocked and submitted smoothly.

Many firms facing such technical payroll issues opt for Payroll Outsourcing to avoid risks and ensure timely submissions.

OUTCOME



The Final Outcome: A Success Story

The result? Both the **March and April 2025 payrolls were submitted** correctly. HMRC's portal was updated, the liability issue disappeared, and the client could continue payroll processing without disruption.

What the Client Said



"Corient stepped in when we had no answers. They went beyond software limitations and resolved a serious issue that could have led to penalties. Their support was clear, proactive, and professional from start to finish."

Key Takeaways: Why This Matters for Businesses

- **Missing a single payroll deadline can trigger serious compliance issues**
- **XERO's unscheduled pay runs can be a powerful workaround**—if you know how to use them
- **Specialist support** can save businesses from costly errors and wasted time

At Corient, we embed quality and compliance into every process through structured [Audit Services](#), providing businesses with peace of mind.