Case Study

Changing Details in Pay Template Instead of Payrun



Background:

Xero allows payroll details to be set up in pay templates (default settings) and adjusted in individual payruns. Changes in pay templates apply to all future payruns, while changes in payruns are specific to that particular period.

The Challenge:

Payroll details were mistakenly changed in the pay template instead of within a specific payrun. This caused issues such as:

- **Incorrect payments**: Employees were overpaid or underpaid in subsequent payruns.
- **Operational confusion**: The payroll team had to deal with errors that affected future payruns.

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Impact of Changes in Pay Template:

- **Financial Discrepancies**: Overpayments or underpayments occurred.
- **Employee Issues**: Employees noticed incorrect pay and raised concerns.
- **Increased Workload**: The payroll team had to fix the issue and process corrective payruns.

Solution:

- The payroll team identified the error and reverted the changes in the pay template.
- A corrective payrun was processed to adjust employees' pay for the period.
- A review of payroll procedures was conducted to ensure changes are made in the correct place.

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Prevention Measures:

- **Training**: Payroll staff must be trained on the importance of making changes at the correct stage (payrun vs. template).
- **Best Practices**: Clear procedures were set to avoid template-level changes for one-off adjustments.

Conclusion:

Changing payroll details in the pay template rather than the payrun caused unnecessary errors. The issue was resolved by correcting the mistake and implementing better payroll practices to avoid future issues.

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