How to keep track of payroll discrepancies

Take-home pay can fluctuate due to shifts and overtime, making it important to check payslips for errors – including overpayments.

As a nurse, knowing whether the pay going into your account every month is the right sum is not always straightforward. For many, the amount will change each month, depending on shifts worked and whether they involved antisocial hours and overtime.

Payroll errors can happen in the NHS but can generally be resolved fairly promptly, says RCN senior welfare adviser Claire Cannings.

So what should you do if you suspect or know your pay is wrong?

What common payroll errors might nurses come across?

There is quite a range of issues that can leave nurses being paid too much or too little,’ says Ms Cannings. ‘This may be problems relating to tax, such as having the wrong tax code. There can be problems with overtime, payments for antisocial hours, maternity pay or sick pay.

‘People may be paid after they have left a position, or not paid correctly for a new one or after a change of hours. Incorrect pension contributions may be taken, but this is rare.’

What do payroll errors happen and when are they most likely to occur?

Payroll errors mainly boil down to human error – where the right information has not been entered at the right time – and issues with tax, says Ms Cannings.

People with two jobs frequently have issues related to tax,’ says Ms Cannings. ‘So they may be given their tax-free personal allowance (currently £12,570 a year) at both jobs, or neither, leading to them overpaying or underpaying tax.’

Those on sick pay often find it can be miscalculated. Nurses doing overtime and bank shifts may also find that mistakes can creep in.

Whose responsibility is it to make sure the errors are corrected?

If a nurse spots a problem with their pay they should contact payroll ‘sooner rather than later’ so it can be resolved, says Ms Cannings.

Chartered Institute for Payroll Professionals chief executive Jason Davenport says there is often a requirement in contracts that an employee flag up problems with payments if they notice them.

In some cases, failure to report overpayment might even lead to fitness to practise proceedings by the Nursing and Midwifery Council. In 2022, a nurse appeared in court and pleaded guilty to theft after being paid for eight months after resigning from her hospital post.

The NHS Counter Fraud Authority says fraud related to pay includes staff dishonestly making claims for expenses, allowances and overtime and working for another organisation while on sick leave. But NHS fraud involves deception for personal gain, and Ms Cannings stresses that this is not the case with the vast majority of payroll errors.

What can help prevent mistakes happening?

Nurses should understand their payslip and check it every month, experts advise. This includes knowing your correct tax code and how much you pay into your pension. A tax calculator can help you check how much tax you should be paying.

Mr Davenport encourages those who find their payslip confusing to call their payroll department. ‘Ring them up and say, “This may all be absolutely correct, but would you mind just talking me through it?” Pay slips are legal documents and they can hold a lot of complicated information.’

He also recommends confirming the deadline for details of overtime and shifts to be submitted so they can be included in the next payment of wages – it is often about two weeks before pay day.

This information will need to be authorised by a manager before it can be submitted to the
payroll department, he says. ‘Give your manager a push and ask if everything has been authorised for the month. Or if that manager is not in or off sick, find out who should be authorising it. Being proactive can help an individual get paid correctly.’

**What should you do if you’ve been overpaid?**
In most cases such money will need to be paid back. Employers are generally reasonable when it comes to negotiating a plan for repayments, says Ms Cannings.

The RCN advises contacting your payroll department, asking for more time and details of the overpayment. Once this is received, check carefully that it is correct, then discuss a repayment plan with the employer.

Ms Cannings says this should be based on what you can afford to repay each month.

**What should you do if you’ve been underpaid?**
Again, speak to payroll and find out if there is a legitimate reason for the pay to be lower than expected. If the issue is unresolved at this point, put your concerns in a letter, including supporting information such as a P45. The RCN website has template letters for underpayment and overpayment.

If you are struggling to obtain a helpful response, contact the RCN or another union for support or advice. Some underpayments can be resolved swiftly with a mid-month payment, and some trusts have hardship funds that may help those struggling financially, Ms Cannings says.

**What other impact can incorrect payments have?**
Those who are overpaid can find it leads to them being penalised when it comes to other means-tested benefits they may have been entitled to.

For example, a nurse may not receive the level of Universal Credit they are entitled to as a result of such an error. Ms Cannings says: ‘We do try and help members with this, but it is very hard to get any changes backdated in Universal Credit.’

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**Tips for making sure your payslip is correct**

- Always check your payslip and know roughly what your pay should be. Keep in mind there may be fluctuations due to working different shifts.
- Check that overtime has been authorised before the payroll deadline for the month.
- Find out what your tax code should be and check you are on the right one.
- Know what you are paying into your pension and which pension scheme you are in.
- Use tax calculators online to see if you are paying the right amount of tax.
- If you have been overpaid, the RCN can provide support and advice, including about arranging an appropriate repayment plan.