B-3

EMPLOYEE ADMINISTRATION AND PAYROLL

NATIONAL FINANCIAL REGULATIONS

Version 1.3.4

Effective 27 November 2025

This policy covers:

- guidance on payroll administration and control
- responsibilities of HSE management when processing payroll
- calculation of pay
- treatment of over and underpayments

Ideally, you should read this document online, as we link to other guidelines you also need to know. Additional accessibility functions are also available such as the interactive Table of Contents where you can click on any section of the table and be brought directly to that content. While browsing the document, you can click the button at the bottom of the page at any time to return to the Table of Contents.

To help you take note of these links and other features of this policy, we use the icons below.

B-3 ICON SET

Highlighting Important Information

Download Form

Contact Details or Connection Point

Legal Reference

Who needs to read this policy?

The National Financial Regulations (NFRs) apply to all staff in all divisions, Community Healthcare Organisations (CHOs) and Hospital Groups (HG) where services are provided on behalf of the HSE. This includes permanent, temporary and agency staff. Equivalent controls should also be implemented by Section 38 and Section 39 providers where services are being provided on behalf of the HSE or where HSE grant aid funding is being received.

How we keep the policy up to date – and how you can help

There is a change control process in place for the NFR documents to ensure they are kept up to date with current practice and guidelines. All change control requests, and feedback should be submitted using the change control form.

If you have to create a local procedure document

If you are responsible for developing a local procedure document, you might find the following resources useful:

- the key control checklist on page 40 as it lists required key controls which you must have in place
- a sample local procedures template

Frequently Asked Questions (FAQs)

You can find answers to some of the most common queries related to the NFRs on our FAQs page on the HSE website.

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At a glance

Document at a glance

- Overview of the controls which apply to payroll and calculation of pay.
- Controls which apply to the recovery and reimbursement of over and underpayments and staff management.

Key users

- All HSE staff.
- All staff involved in the administration of payroll.

Key concepts

- Payroll Controls.
- Pay Calculation.
- Over and Underpayment Controls.

Key objectives of this document

- To explain the standards all HSE staff have to meet in terms of pay and expenses while performing their duties.
- To make sure staff know the key controls and regulations in place for payroll.
- To ensure the appropriate controls are in place for payroll.
- To ensure pay related over and underpayments are resolved without delay.

Key relevant links

- HSE HR Forms
- T&Cs of Employment Guidelines
- HSE Induction Guidelines
- HSE HR Circulars
- HSE Electronic Communications Policy
- HSE National I.T. Policies and Standards
- HSE Data Breach Process Guidance
- Organisation of Working Time Act, 1997
- Payment of Wages Act, 1991
- Statute of Limitations, 1957
- Salary Scales for Employee Grades
- Minimum Notice and Terms of Employment Act 1973-2001
- Public Service Pensions Act 2012
- Expenditure and Reform (DPER)
- HSE Circular Changes Sick Pay 05/2018

Key contacts

- Payroll Queries – Contact your local area Payroll team – see the FSS Payroll Services.
- General Queries around this NFR and Control Queries – Contact Governance and Compliance – nfr.support@hse.ie
- HR Queries – Contact HR – by email ASK.HR@hse.ie or call 1800 444 925.
- NiSRP Rollout Queries – For contact details about your specific query, see the NISRP contact page.
- Pensions Queries – For contact details about your specific query, see the local area pension page.

1. Introduction

This document sets out guidance in relation to payroll, calculation of pay and payroll processing and treatment of over and underpayments.

To achieve its objectives, the HSE seeks to:

- recruit and retain high-quality staff to implement its corporate plan
- ensure that the contribution of staff to achieving the strategic goals of the organisation is appropriately recognised
- comply with all HSE employee policies and relevant legislation

Pay is the main part of the employee compensation package. Consequently, the correct administration of pay is crucially important for two principal reasons:

- to compensate staff for their service in fulfilment of their contracts of employment and pension arrangements
- to ensure pay costs are monitored and controlled correctly given that pay is the single largest expenditure for the HSE

This document is particularly relevant to all staff involved in the administration of payroll.

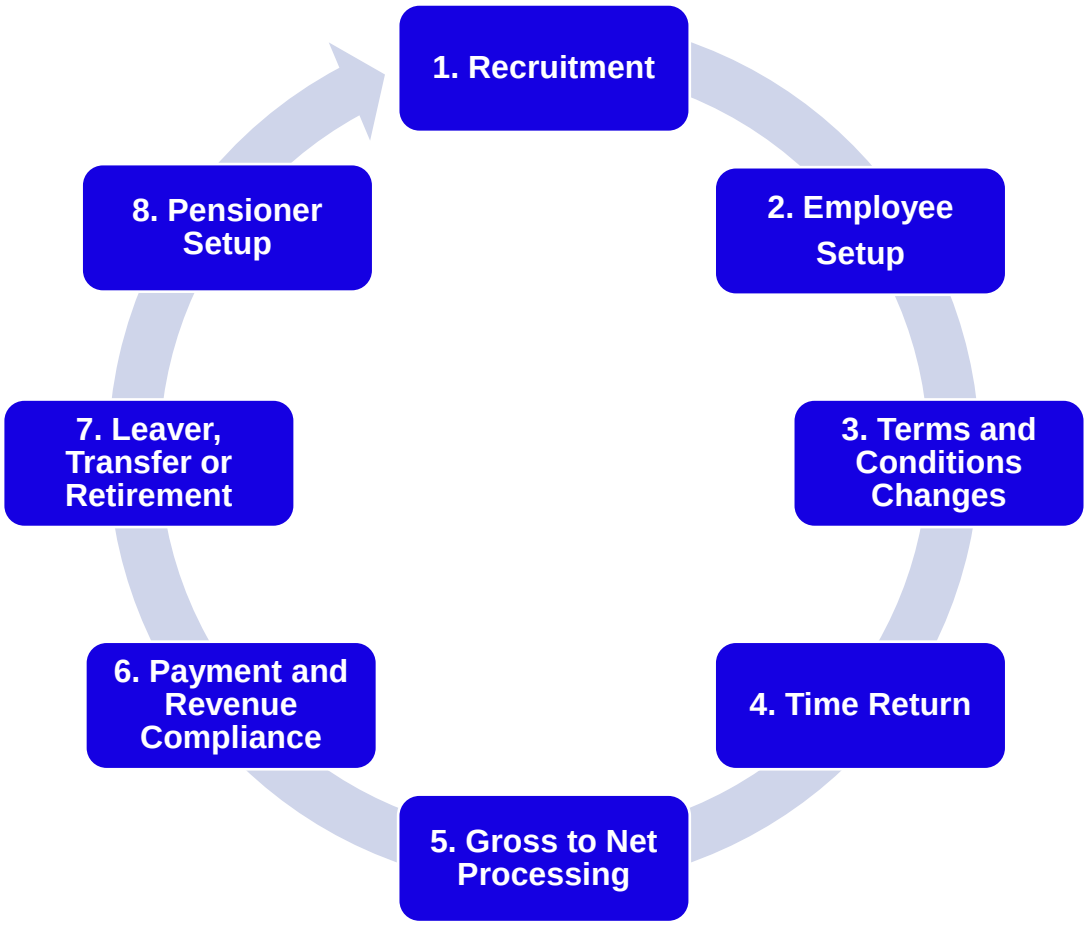
It is important that you are aware of the key controls and procedures relevant to you and the support materials and contacts that are available to help you in your work.

For further details on overtime, leave entitlements and other working arrangements please consult the Employee Handbook and the T&Cs of Employment Guidelines. Overtime, for all grades with existing sanction for same, requires prior approval of the delegated manager. In addition, all overtime claims must be submitted within 3 months of the overtime being carried out.

We have included a glossary of terms and a table of Acronyms and abbreviations on pages 35 and 37 respectively. You may find it helpful to refer to it as you read.

2. Payroll

The employee journey is best summarised by the below map and table.



Employee journey	Process	Process owner
Recruitment	Advertising, identifying, sourcing, screening, shortlisting and interviewing candidates for jobs.	Human Resources (HR) National Recruitment Administration (NRA)
Employee setup	Setting up new employee records to include initial Terms and Conditions (T&Cs).	Human Resources (HR) Organisational Management (OM)
T&C changes	Where adding changes to employee T&Cs to the payroll system following approval (such as career breaks, carer's leave, unpaid leave and shorter working year).	Human Resources (HR) National Personnel Administration (NPA)
Time return	Whereby a Line Manager provides a return to their Time	Line Manager (LM)

Employee journey	Process	Process owner
	Returning Officer (TRO) each week reflecting the attendances and absences for employees in their area. The TRO then enters this information onto the local system or time sheets to instruct payroll on the entitlement for all payments and deductions within the payroll period.	Time Returning Officer (TRO)
Gross to net processing	Calculate all pay and hours worked (gross pay) minus any deductions equals to net pay. Gross pay is the total amount paid before any statutory or voluntary deductions are deducted. Statutory deductions are: ▪ Pay As You Earn (PAYE) Income Tax ▪ Universal Social Charge (USC) ▪ Pay Related Social Insurance (PRSI) ▪ pension Contributions ▪ Local Property Tax (LPT) ▪ Additional Superannuation Contribution (ASC) Examples of voluntary deductions include travel pass schemes, medical insurance, credit union deductions and union fees.	Payroll
Payment and revenue compliance	Ensure all employee PAYE, PRSI, USC, LPT and employer PRSI taxes are deducted, and associated files are submitted before pay date to Revenue with payment the following month	Payroll

Employee journey	Process	Process owner
	using Revenue Online Service (ROS).	
Leaver, Transfer or Retirement	When an employee is leaving, transferring or retiring. The individual's employee records are updated accordingly, and final payments or transfer of payroll are actioned.	Human Resources (HR) National Pensions Management (NPM)
Pensioner set up	Where an employee is converted to retiree status. In the North-West the employee needs to resign and be set up as a new employee on the North-West payroll to avail of their retirement benefits.	Human Resources (HR) National Pensions Management (NPM)

For payroll queries, please contact your Local Payroll Area.

At present, there are different systems and processes across the HSE for the administration of payroll. This document applies across all current systems.

Note:

The National Integrated Staff Records and Pay Programme (NiSRP) is overseeing the roll out of a single payroll system across the HSE (known as "HR and Payroll Self Service"). See Appendix 1 which sets out the controls which should be in place when the new system (HR and Payroll Self Service) is rolled out to a particular division or area.

Where HR and Payroll Self Service is the system in use in your location, it should be used to upload receipts (original or electronic copy) to support claims for manager review and audit reviews.

2.1 Payroll – control objectives

The control objectives in administering payroll in the HSE are to:

- safeguard HSE assets
- ensure staff are paid only after the appropriate authorisation
- calculate and record payroll elements correctly, and comply with all legal and taxation requirements
- correct errors or omissions in pay as quickly as possible
- administer and apply payroll consistently across the HSE
- ensure information security controls for payroll are in place

2.2 Payroll – authorisation to use information

The HSE has the right to collect, maintain, use, transmit, share or disclose information about employees when it requires this information to administer its payroll services and activities.

This information will be classed as confidential and will be protected in line with General Data Protection Regulation (GDPR) and Data Protection legislation.

All information should be maintained in line with the HSE National Records Retention Policy.

2.3 Segregation of duties (SOD) in payroll administration

To reduce the risk of fraud and collusion, SOD within payroll administration is essential. This means that the same person is not responsible for handling payroll and authorising and approving transactions. All of these three actions must be completed by different staff so that no one person can control the payroll process from start to finish. For more on SOD, please refer to NFR A – Internal Controls Framework and Principles.

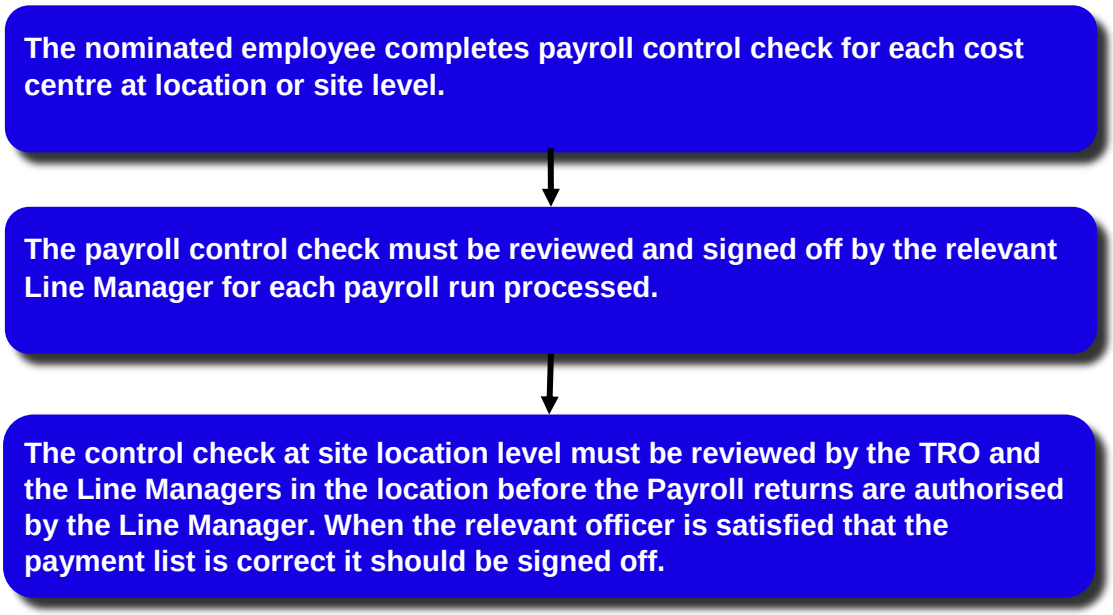
2.4 Payroll control responsibility

Each HSE unit must nominate a person in a supervisory role with responsibility for payroll control. That supervisor:

- monitors and signs off on the payroll controls set out in Section 2.5 below
- notes any exceptions
- takes action to solve any issues identified

Procedure for approving payroll control

The procedure for approving payroll control is shown below.



All queries of material values should be resolved before processing of payroll for the period concerned. The control check documentation will then be available for inspection by the Comptroller and Auditor General and Internal Audit. Please refer to NFR A – Internal Controls Framework and Principles for further details regarding internal audit requirements.

Assistant National Directors or equivalent grades are responsible for ensuring that:

- these procedures are adhered to
- the appropriate nominated employees are in place to complete the sign off of payroll control checks and exception reports for each area under their control

All employees are responsible for ensuring policy and procedures are followed correctly.

2.5 Payroll administration function controls

Control over the payroll process is critically important given the large amounts of money involved. Management within each payroll function must ensure the following controls are implemented.

Have local payroll procedures

- Put in place clear local payroll procedures that set out the local controls that apply in accordance with NFR A – Internal Controls Framework and Principles. For more information, please see Appendix 2.
- Provide training to staff on the procedures that apply.

Be clear about who does what

- Clearly identify and document roles and responsibilities for each member of the Payroll team.
- Make sure there is SOD across the documented tasks and duties within the Human Resources (HR), Finance, and Payroll roles in processing payroll.

Use technology to track changes to payroll

- Put in place Information Communication and Technology (ICT) access controls such as separate user logins to track who makes changes to payroll related data.
- Put in place a procedure to ensure staff are not able to process their own pay.

Follow a clear reporting, review and oversight plan

- Ensure control and compliance reports are received directly from the source system by HR, Payroll, Finance and Management.
- Prepare a monthly report of all new employees (joiners) and employees who have left (leavers) as recorded on payroll and submit this report for review to the relevant HR manager.
- Complete a quarterly reconciliation of all new joiners and leavers, comparing the information between the payroll system and HR approved joiners and leavers.

Review and oversight

Maintain management review and provide oversight over the local payroll processes. This includes checking:

- changes or errors – run reports to identify joiners and leavers and check these against related documentation
- payroll tax returns – analyse these returns to make sure there is no duplication of tax references, for example, Personal Public Service Number (PPSN)
- payments to ensure there is no duplication of bank details
- pay listings and investigate any differences to ensure all staff are assigned to specific areas and are included on Staff Census (listing of all HSE staff paid)
- significant differences between periods at cost centre level and employee level and investigate any differences
- carry out monthly variance reports to check that the personnel number or PPSN of workers who have left are not still on the payroll system

Run periodic exception reports

Run periodic exception reports to ensure payroll metrics are within normal expected ranges. Investigate reports which fall outside normal expected ranges.

2.6 Line Managers and the payroll process

As a Line Manager, you must have the following minimum controls in place:

- a list by cost centre of all current authorised changes in:
    - hours
    - positions
    - shifts
    - T&C's of employment resulting in increased or reduced hours or pay

  This list should be by employee and include start and end dates. You should also have a process to check these payroll elements are included for all relevant employees.

- a list by cost centre of all authorised:
    - unpaid leave
    - retirements
    - resignations
    - terminations

  This list should be by employee and include start and end dates. You should also have a process to check payroll **does not include** payments during these events to any listed employee.

- a process to ensure that all employee records and timesheets are checked and signed off for each payroll run
- A process to notify HR or National Personnel Administration (NPA) of all known **deceased** employees. This helps the HSE make sure payments are stopped and employees' files are amended
- A process to notify HR or National Pension Management (NPM) of all known deceased **pensioners**. This ensures payments are ceased and individual pensioner files are amended
- A process to ensure the HSE's leave policies are managed and accounted for. For example:
    - sick leave
    - maternity leave
    - parents leave
    - paternity leave
    - other types of leave noted here

2.6.1 Line Manager responsibilities

- Ensure all forms and paperwork are completed and submitted to HR and Payroll within the relevant deadlines.
- Enter absence in employee time records.
- Put in place appropriate backups of stored information and review security measures regularly.
- Authorise payments and changes only where all supporting documentation is correct.
- Complete a regular review of all employee information and compensation to prevent errors and fraud.
- Instruct employees in the use of codes (such as cost centre codes) and review the relevant finance reports provided to locations and sites to verify the accuracy of the codes used.
- Ensure approval for travel and all travel documents are in place before Travel and Subsistence (T&S) are approved where an employee is required to travel on official business as part of their duties. The documentation must be included on HR and Payroll Self Service where the system is in use.
- Maintain local payroll manuals and ensure they are up to date with current operations and authorisations. Make sure relevant employees follow the local payroll manuals.
- If an employee is required to travel on official business as part of their employment duties the relevant line Manager will provide details of the arrangements for the payment of T&S and the rates and conditions relating to such expenses as part of the employees induction.
- Line Managers must ensure that designated employees are knowledgeable of, understand and receive training in the statutes, rules, policies and procedures that govern payroll applications and in particular the procedures that govern safeguarding confidential information. At a minimum, employees should be required to read these procedures and sign a copy acknowledging that they have read and understand them at the end of the training sessions.

2.7 Requirements for timely HR form processing

Timely and accurate processing of HR forms is essential for payroll calculations. HR forms must be processed immediately after approval. It is critical that:

- local procedures are in place to ensure the efficient processing of HR forms
- local procedures must include the requirement to forward forms immediately for processing once approved
- staff must notify HR if they are receiving Maternity Benefit

- staff training should cover:
    - staff obligations when completing and approving HR forms
    - where forms need to be submitted for approval and processing
    - ban on staff approving or processing changes which affect their own pay
    - how staff can update their employee records using HR and Payroll Self Service

- only up-to-date HR forms may be given to staff. Outdated forms must be removed from circulation
- back-up documents must be kept on file for changes to important employee data such as address details or bank account records
- staff must not process any forms that do not have Line Manager approval or sign off
- staff must not process any forms that are not consistent with HSE policy

2.8 Preventing and communicating payment errors

At times, there may be circumstances where **immediate and direct contact with the NPA, HR and Payroll Department is necessary and appropriate** to ensure the correct payment. This includes instances **where the HSE does not receive the full notice period from an employee who goes on leave without pay.** In this circumstance the Line Manager must inform the TRO, NPA, HR and Payroll Department immediately by phone and in writing of the effective date of the employee's leave. This is to prevent possible overpayment situations.

Where SAP HR system is in operation, changes of this nature must be actioned through SAP HR.

In emergency situations, the initial communication must be made immediately by phone with follow up by email, with any necessary approved documentation.

- For payroll queries, please contact National Payroll.
- Deadline information for form submissions can be found in Appendix 5.

2.9 Additional responsibilities for HSE Management Tiers

The following additional responsibilities rest with those in line management roles and above.

2.9.1 Budget Holders

Budget Holder must:

- make sure that approval exists for all personnel numbers in their service location so that all numbers and related costs are within the limits set
- prepare regular reports and forward them to the relevant National Director of Service in line with current HSE HR Circulars
- conduct timely reviews of relevant payroll reports to monitor for overpayments and underpayment

For more general guidelines on responsibilities of Budget Holders please refer to NFR A – Internal Controls Framework and Principles.

2.9.2 Chief People Officer

As the Chief People Officer, you must:

- ensure accurate and timely application of all aspects of this NFR
- oversee a systematic review of procedures to ensure that adequate controls have been established and are implemented
- determine salary ranges and recommend any changes in the salary structure in line with internal or external conditions
- establish job evaluation methods and ensure that positions are evaluated properly
- collaborate with the HSE Chief Financial Officer to ensure compliance with relevant laws and regulations as they apply to compensation
- organise regular induction days for new employees
- communicate and monitor salary increase guidelines

2.9.3 Heads of Service, Assistant National Director (Services) or equivalent grades

As Heads of Service, Assistant National Director (Services), or an equivalent grade, you must:

- ensure effective co-ordination between CHOs, Hospital Groups and Corporate Services, HR Sections and Payroll Sections
- oversee the correction of misstated financial records and statements
- eliminate the risk of fraudulent payments or loss of HSE funds

2.9.4 HSE Area HR and Payroll Divisions

Each HSE Area HR and Payroll Division must:

- ensure a documented payroll plan for continued operations exists in the event of a disaster or emergency
- maintain local payroll manuals and ensure they are up to date with current operations, legislation and authorisations

- ensure employments and payroll information is confidential
- ensure all documents and electronic records related to payroll are handled and stored in a manner consistent with their confidentiality by all who have responsibility for any aspect of the payroll function
- ensure all payroll systems and related payroll data must be restricted by password control or equivalent and that they are appropriate to the authorising level of the payroll or HR officer
- ensure information is released to outside parties only when a written release application signed by the requester is received.
- ensure all information relating to personnel and compensation be provided to immediate supervisors and senior management for cyclical appraisal, as a safeguard against errors and fraud
- ensure a register of exceptional payments is held locally outlining details of any pay arrangement that deviates from nationally approved pay-rates and contract terms and conditions. It should include the following information: service justification, confirmation of approval, proposed duration, estimated cost and date of review. The register should be kept up-to date and be subject to regular management review
- work with the Information and Communications Technology divisions to ensure that appropriate backups and security measures are in place and these are reviewed frequently.

2.9.5 Role of the Executive Management Team

The HSE Chief Executive Officer and HSE Board must:

- ensure payroll procedures comply with the HSE Code of Governance

3. Payroll processing – employee journey

3.1 Employee responsibilities on taking up a new post

New and promoted employees must provide the following items before starting employment:

All new, promoted, transferred and seconded employees will receive induction training in line with guidelines set out in the HSE Induction Guidelines.

3.2 Employee responsibilities for pay

HSE employees have a responsibility to comply with their contractual obligations around pay. This includes compliance with the payroll policies set out in this document, relevant regulations, and legislation as appropriate.

A summary of employee key responsibilities is set out in the table below:

Employee responsibilities	
Accurate reporting	You must: ▪ prepare and present accurate and timely documentation of your time, absences and attendance for review and approval at location or unit ▪ accurately report any pay adjusting changes (such as parental leave, Shorter Working Year (SWY), cycle to work deductions and so on) ▪ provide any change in information that may affect payroll, such as change of address or bank details to HR and NPA where applicable. Use one of the following methods: ○ Form HR104 ○ in writing (email, memo or letter) ○ changed on HR and Payroll Self Service You will not be paid unless all documentation is fully completed and submitted within the appropriate deadlines.
Timely information and notifications	▪ You must review your available leave to ensure that requests for leave do not exceed the appropriate level and you must give sufficient notice of leave. ▪ All applications for leave are subject to the approval of your Line Manager. Absence without approval may lead to disciplinary action.
Notice periods	▪ You should be aware of the notice periods required to give effect to changes. ▪ The most regular changes are itemised and the forms that must be submitted within the various time periods are set out in Appendix 6.

3.3 Processing for new and promoted employees

Entering the employee onto payroll system

- All requests to create an employee number for payroll should be processed only on receipt of a standardised HR101 Form that has been approved by the relevant Line Manager. It must be accompanied by any other relevant supporting documentation as advised by HR or NRA.

DOWNLOAD FORM

The employment contract

- The employment contract signed by both the employee and the hiring manager (NRS or HR Department) must be kept on file.
- All appropriate contract details should be checked in line with pay guidelines. A review of new records must be completed monthly to ensure codes and details have been recorded appropriately. This must be completed by a separate employee to the creator of the records.

HR records

- HR records should not be amended or deleted without appropriate approved forms. Where possible, a second payroll employee must review and check any amendments.
- All HR forms should be returned to the sender if not completed in full and should not be processed until completed in full.

HR Managers required actions related to new and promoted employees

- Create and review a monthly report of all new and promoted employees.
- Quarterly reconciliation of all new employees entered on payroll system against all new employees approved by HR or sites and locations must be undertaken.

3.4 Adjustments to employees' Terms and Conditions

Employee pay may be adjusted to reflect changes in employee T&Cs. This can arise due to a variety of factors unique to each employee and is based on applicable laws and agreements.

Change Forms	
Change to employee T&C's (Promotion, Grade Change, Secondment or Change of Hours)	HR102
Employee transfer	HR3

DOWNLOAD FORM

(Moving location within HSE)	

The main forms that relate to these types of changes are set out above and should be completed when changes occur.

When changes are agreed and the relevant forms completed, it is essential to notify **Local HR or NPA** immediately so that the correct pay can be calculated.

Any delay to the processing of these changes could lead to over or underpayments to employees which trigger the provisions set out in Section 5. Therefore, the timely submission of forms is required to calculate correct pay.

3.5 Temporary higher appointments

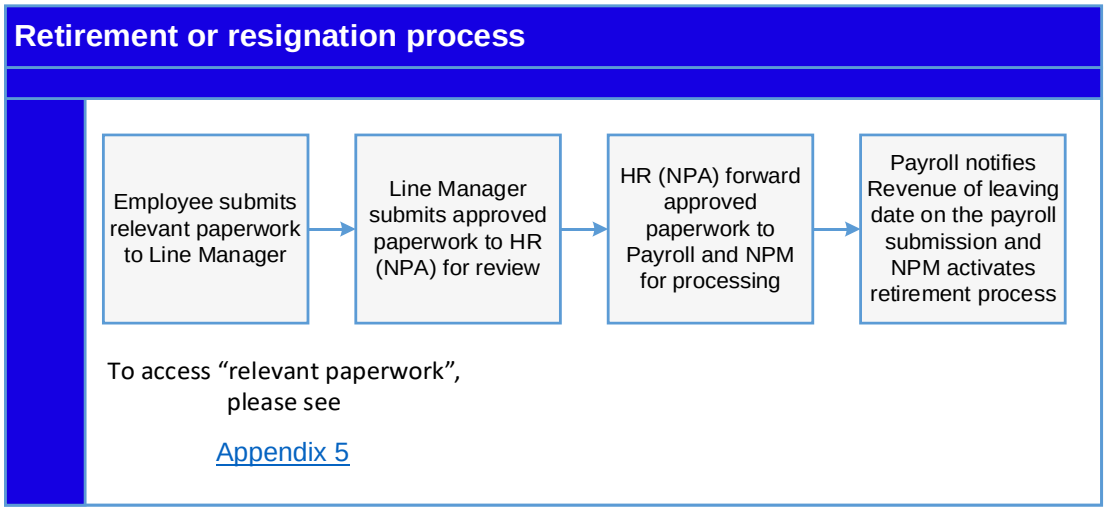
Employees may be appointed to act as a substitute for another employee of a higher grade. This is known as “Temporary Higher Appointment (“THA”).

This may occur where the higher-grade employee is unavailable, or when the lower-grade employee is awaiting appointment to a higher grade.

The rules governing temporary appointments are outlined on page 85 of the HSE T&C of Employment – (March 2017).

3.6 Resignation, retirement and pensions

On retirement or resignation, the following process occurs:



It is essential that leaving forms (Form HR106) and retirement forms (Form HR107a) are submitted in a timely manner to avoid payments in error.

3.6.1 Notice periods

Permanent and fixed-term employees

Permanent and fixed-term employees must give the minimum notice specified in their contract of employment. Ideally, give notice before the minimum notice period. This would allow for the timely processing of pension payment arrangements.

Temporary employees

Temporary employees must give a minimum of one week's notice where they have been in continuous employment for thirteen weeks or more.

Full notice period not received

Where the HSE does not receive the full notice period from an employee who is resigning or their employment is being terminated, the TRO or Line Manager must inform the NPA, HR or Payroll Department immediately by phone and in writing of the effective date of the employee's termination.

The NPA cannot process any actions without receiving instructions in writing.

3.6.2 Length of service

The employee's length of service determines how their pension contributions are treated when they resign or retire.

Treatment of pension contributions after resignation based on length of service which affects refunding of Additional Superannuation Contribution (ASC)	
Length of Service	**Minimum Notice**
Less than two years	If not taking up employment with another organisation to which the service may be transferred, the officer is entitled to a refund of any pension contributions made, less tax deductions.
More than two years	If not taking up employment with another organisation to which the service may be transferred, the contributions are retained. Preserved benefits will become payable at

	age 60 years (65 years for new entrants) upon receipt of written application.
Please note that where an officer entered employment with a former Health Board prior to 1995, there is the option to either preserve the benefits or take a refund.	

When a HSE employee retires, they receive a pension or lump sum. The pension is based on salary, pensionable allowances (if any) and on pensionable service.

Most public service employees who started employment on or after the 1 January 2013 are members of the Single Public Service Pension Scheme.

The entire period of the employment may not be eligible as pensionable service – certain periods, such as unpaid sick leave, will be deducted.

Employees can take early retirement in some cases. For further advice relating to the pension schemes, contact the local HSE Pension Office.

MAKE CONTACT

Death of a retiring or retired employee

In the case of death of a retiring or retired employee the provisions in the table below apply.

Pension treatment upon death of retiring or retired employees	
Death while in service (before retirement).	If contributing to a pension scheme, a legal representative will receive: ▪ 1 year of pay (at the rate applicable on the date of the death) ▪ the lump sum that would have been paid to the staff member had they retired on ill health grounds on the date of death If contributing to the spouse and children's pension scheme, a pension will be payable to the spouse and eligible children.
Death after retirement.	If contributing to a pension scheme, your pension will be paid to your spouse, civil partner and eligible surviving children.

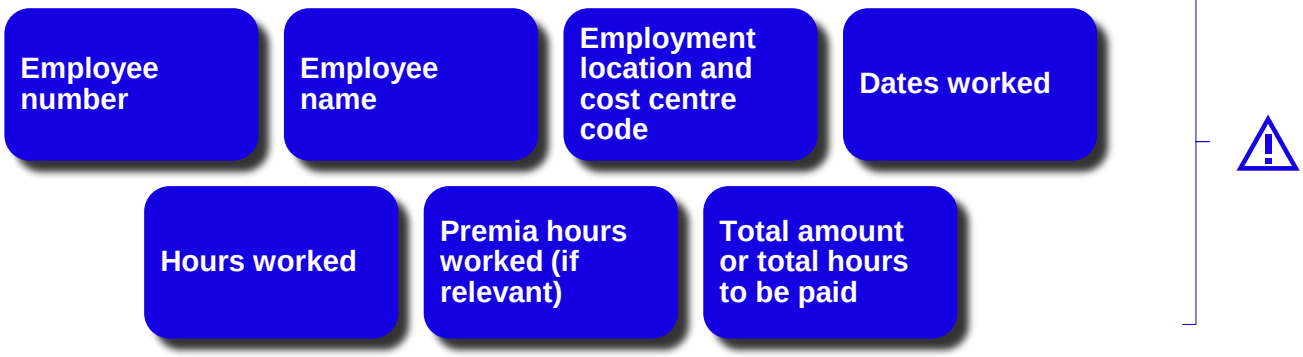
4. Calculating pay

4.1 Calculation overview

All HSE positions are classified into grades according to the DOH Salary Scales, based on jobs of about equal worth. Each grade has a salary range, single point or a minimum up to a maximum salary. This scale is constantly reviewed and adjusted when appropriate.

4.2 Timesheets

Before staff can be paid, all timesheets (or equivalent), whether manual or electronic, must contain at least the following 7 elements:



4.3 Deductions

Employees are paid a net salary:

Net salary = Gross salary less any deductions (statutory or voluntary)

Voluntary deduction requests must be received in writing from the employee or service provider. This is mandated by the Payment of Wages Act, 1991.

The table below provides a summary of the deductions from pay that may arise:

Statutory and voluntary deductions from pay	
Statutory	**Voluntary (In writing)**
▪ Income Tax (PAYE) ▪ PRSI ▪ Employee Pension Scheme or Superannuation ▪ USC ▪ Additional Superannuation Contribution (ASC) ▪ LPT	▪ Credit Union, Bank or Building Society ▪ Health Insurance ▪ General Insurance ▪ Social Activity (such as sports clubs) ▪ Trade Union

▪ Court Orders	▪ Other (Details are available from the Local TRO, Payroll Department or directly from the service provider).

4.4 Calculating pay – leave

The HSE will adjust pay for leave time taken. Employees are paid for regular hours worked, paid holidays, earned annual leave or sick leave. In some cases, employees will receive compensation that is not directly related to effort, for example, speciality pay or holiday premium pay. **Please note some leave types may not apply to all categories of staff.**

4.5 Methods of payment

All staff will be paid by **direct deposit.** Funds will be deposited into a specified bank account through an electronic funds transfer (EFT). Bank details must be provided.

Cheques are only available to existing employees where their conditions of employment permit this.

All new staff will receive:

- an online payslip
- an EFT payment

Emergency payments should only be paid by EFT.

4.6 Payroll schedules and rotas

Payroll distributes payments once authorised by Finance Operations according to payroll schedules. Payroll schedules are provided by FSS NFD Payroll Departments (9 Central sites across HSE Areas). They send these schedules to locations and sites, NPA, HR, Finance and so forth to inform all stakeholders of the deadlines to ensure payment to staff and pensioners. **All staff must follow these schedules**.

An employee's pay will be calculated and paid based on the payroll rota applicable under the employee's contract of employment.

There are four separate payroll frequencies:	
Fortnightly, Monthly or 4-weekly	For staff in continuous employment over multiple periods.
Weekly	For staff whose conditions of appointment specify weekly payment.

5. Overpayments and underpayments

Although controls and procedures are in place to avoid incorrect salary payments, employees may occasionally receive an overpayment or underpayment of salary. All staff members are obliged to notify Payroll if it is believed that they have been overpaid or underpaid for any reason.

It is HSE policy to correct these errors as soon as possible. The Payment of Wages Act, 1991, section 5(5), affords an employer a legal right to recover any overpayment of wages, allowances or expenses from the wage of employees

Dispute

If there is a dispute in relation to an underpayment or overpayment, employees have recourse as set out within HSE Grievance Procedures. While the employee is engaging in this process no deductions will be made.

Pay Compliance Unit

There may be avoidable costs associated with non-conforming HR pay-related payments. The HSE has in place a Pay Compliance Unit to address the underlying systemic causes and financial impact. The unit is not responsible for recovering or investigating individual cases. This responsibility lies with the service involved.

5.1 Overpayments

When an overpayment to an employee is discovered initial engagement with the employee should be completed by the party responsible for the overpayment.

For overpayment greater than €200, a letter will be issued to the employee from the party responsible for the overpayment with the assistance of FSS Payroll Department.

Any recovery of an overpayment paid to an employee must be carried out in accordance with Revenue's position on this matter.

5.1.1 Overpayment letter greater than €200

The letter outlining the overpayment details must include the following items.

You must include the following information to an employee if they have been overpaid – checklist	
Gross or net value of the overpayment.	☐
Reason for the overpayment.	☐

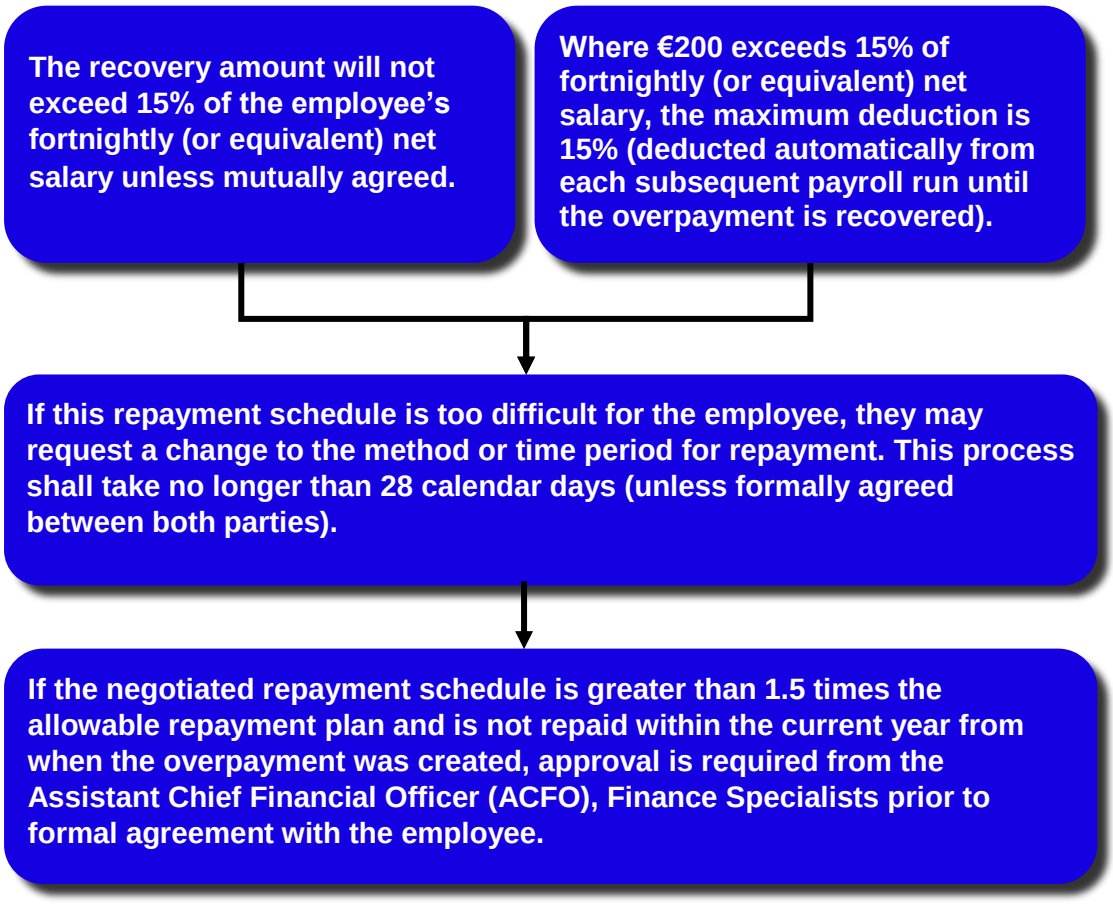
You must include the following information to an employee if they have been overpaid – checklist	
Period to which the overpayment relates.	☐
Proposed repayment schedule. The employee may request a change to the method or time period for repayment.	☐
Employee obligations.	☐
Procedure if employee questions the amount of the overpayment.	☐
Any change in future income when negotiating a repayment schedule.	☐
Revenue implications to be notified and explained upon request.	☐
Copy of this document (NFR B3 – Employee Administration, Payroll and Expenses).	☐

If you have to write such a letter, the templates on the attached link may be helpful.

- Sample Overpayment Letters

5.1.2 The recovery process below €200 gross

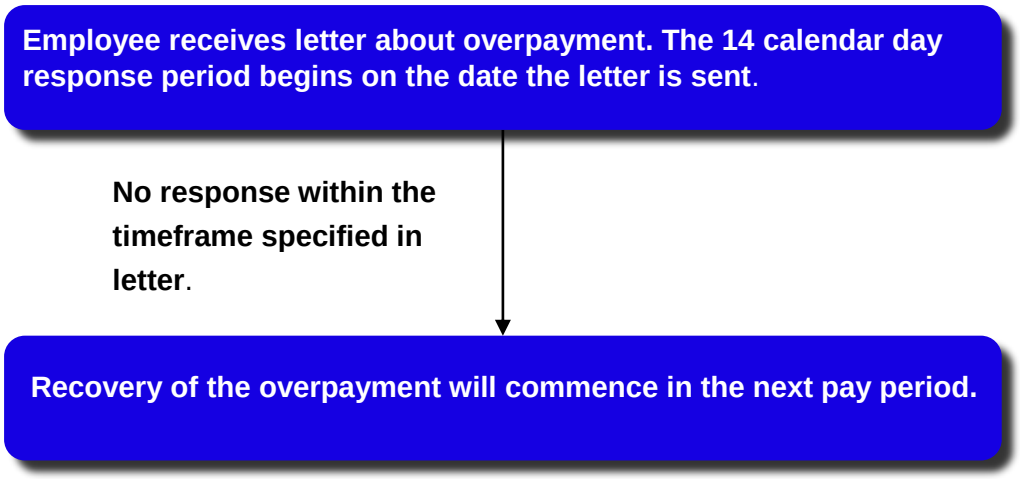
Where the overpayment is below €200 gross (before deductions), the amount shall be recovered in the next payroll run. The recovery process needs to be in line with Revenue guidance. The recovery process is shown below:



5.1.3 The recovery process above €200 gross.

Where the overpayment is more than €200 gross, a letter is issued to an employee alerting them to an overpayment and asking them to contact the payroll office if they wish to discuss the repayment plan, otherwise the repayment plan will commence through payroll. The recovery process needs to be in line with Revenue guidance.

This process is detailed below.



The number of pay periods allowed for recovery must not exceed the same number of pay periods in which the overpayment occurred, and any changes in future income shall be considered in negotiating a repayment schedule. If the repayment schedule is too difficult a revised schedule can be negotiated as outlined in section 5.1.2.

5.1.4 Repayment options

The options for employees or pensioners to repay overpayments are listed below:

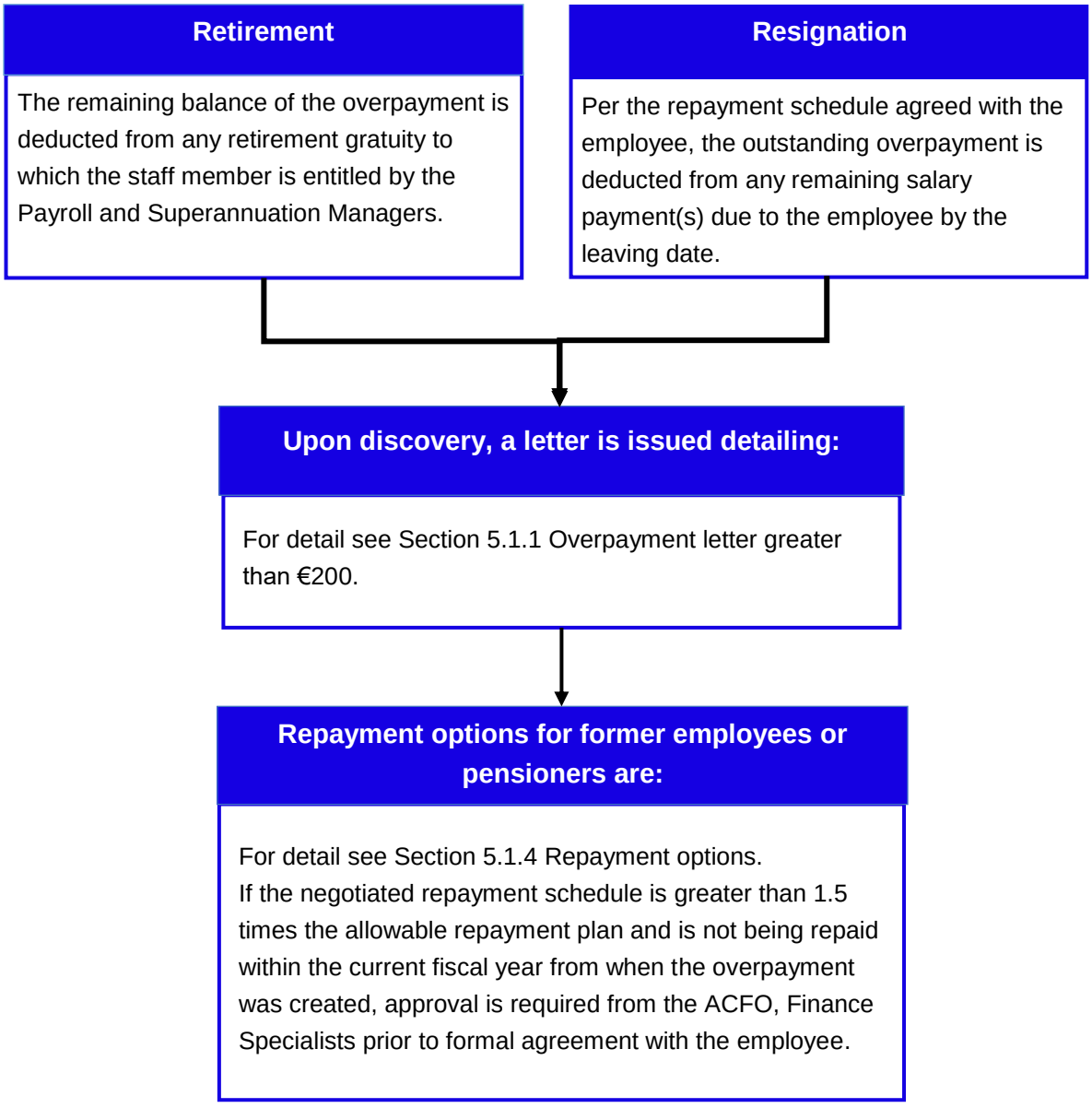
- **Repayment of a single lump sum**
- **Part payment by a single lump sum and remainder by deduction from salary or pension over an agreed period**
- **Deductions from salary or pension**
- **Offset against arrears due**
- **Deduction from entitlements under the Superannuation Act**
- **Direct Debit or Standing Order with HSE bank account over an agreed period of time**

Repayment options should be discussed with your Central Payroll team and must be in accordance with Revenue rules. Different repayment processes apply if an overpayment, or part of an overpayment, is repaid in subsequent years to the year the overpayment occurred. Please see Revenue guidance for further information in relation to the repayment process.

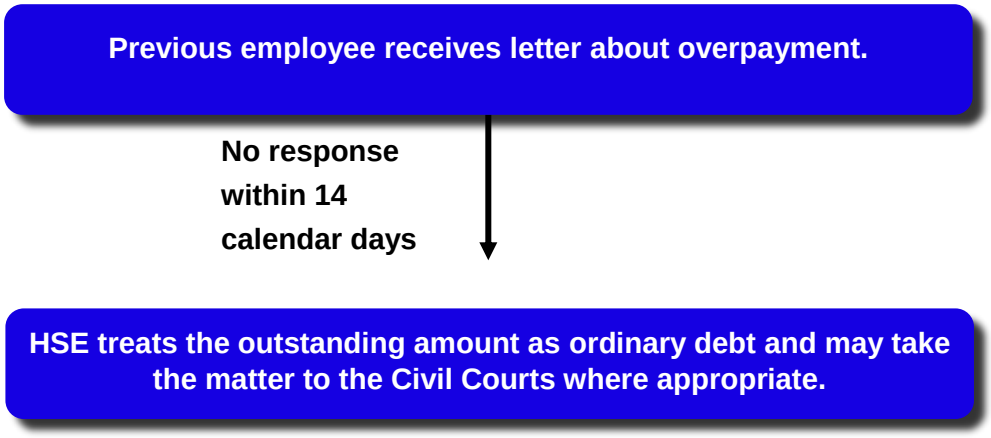
5.1.5 Repayment Options for Former Employees

Retirements and resignations should be cleared through Payroll as much as possible and any outstanding should be converted to a net value which is then recouped by Pensions. Pensions must inform Payroll of any recoupment to ensure that values are cleared from the Payroll Systems.

The process for retirements and resignation recoupment are set out in the flowchart below.



Where no response is received through the above attempted engagement with the former employee, the following procedure is implemented:



Where the Payroll Department does not receive notification or receives late notification of the death of an employee or pensioner, the overpayment recouped is the net amount of the overpayment (unless the employee was paid in arrears and there is still outstanding salary due).

The department will issue notification to the executor of the estate or next of kin of the deceased person.

5.2 Underpayment

Where an employee considers that they have been underpaid, they should notify their Line Manager immediately.

The Line Manager will examine the relevant time records for that employee and inform the employee of the hours or amount of the underpayment and the reason if underpayment is confirmed. The Line Manager's department should work with local Payroll to calculate the value of the underpayment.

Details of the underpayment should be recorded and paid in the next pay period which will be recorded on the employee's record including hours, value paid and so on.

An emergency payment to rectify an underpayment can be requested by the line manager in writing and the Payroll Department will review requests on a case by case basis.

5.3 Records of all overpayments and underpayments

The Payroll Department must keep records of all overpayments and underpayments. For further details on record-keeping, please refer to NFR A – Internal Controls Framework and Principles.

A register of agreed overpayment schedules must be forwarded to ACFO, Financial Specialists twice yearly for review.

A checklist of the records that must be maintained is provided below.

Record keeping – checklist	
A monthly register of known overpayments and underpayments which is collected by National Payroll.	☐
The Local Payroll department holds individual overpayments and underpayments files on each employee.	☐
Line Managers are responsible for ensuring that all communication to employees are submitted to HR and Payroll and copies maintained in local files.	☐
Written communications in relation to overpayments and underpayments enable traceability and an audit trail. These should be kept as evidence of the circumstances and sequence of events for audit purposes.	☐

The following records should be kept in written format if possible.

Records to be maintained where overpayment are greater than €200 only – checklist	
A copy of the report investigating overpayment and the recommended course of action.	☐
A copy of each overpayment notification letter.	☐
A copy of the employee's written response or notes from their oral response. The response should include: ▪ the time and date of the conversation ▪ the name and the representative within the Payroll department ▪ full details of the conversation including details of the recovery agreement (if discussed) ▪ if initial communication is verbal, it must be followed by written confirmation of any agreement reached.	☐
Details of the employee's record within the Payroll department.	☐
All available communication.	☐
Copy of the agreed repayment schedule to be retained with any records of payment received.	☐

Records to be maintained where overpayment are greater than €200 only – checklist	
Upon request, a copy of all legal correspondence.	☐

From a financial perspective the following records need to be maintained for overpayments.

Financial records in relation to overpayments that must be maintained – checklist	
A spreadsheet detailing all overpayments by cost centre, updated monthly, to take account of all receipts from employees either by payroll deduction or direct payment.	☐
Agreed overpayments template must be completed and returned to National Payroll Operations monthly to generate a national overpayments database and reports.	☐
Financial Accounting must issue a list to payroll every month of all receipts to HSE bank accounts, coded to the general ledger, which relate to the recovery of overpayments.	☐
On an annual basis, a statement of repayments paid in the year and the balance due to the HSE should be issued to each employee on the overpayments listing.	☐

If a procedural weakness in the current systems is identified on review of an over or underpayment, the procedure must be reviewed and revised to reflect strengthened procedures. The review process, resulting report and corresponding revision to the procedure must be fully documented and a copy should be sent to the ACFO, Financial Specialists for approval and communication to all staff. A copy must also be maintained on the overpayments file.

If the reason for the overpayment is attributable to non-compliance with Financial Regulations, the employee or employees responsible must be informed. Compliance must be monitored by the designated payroll or HR employee or Line Manager to ensure that corrective action has been taken. All information relating to the overpayment and review process implemented must be documented and maintained on the overpayments file.

6. Irregularities, whistleblowing and fraud

HSE staff must not engage in or be in any way associated with fraudulent or unlawful behaviour.

Any member of staff who considers that there may have been an irregularity that could lead to a misappropriation of funds or fraud should refer to the Whistleblowing and Fraud section of NFR A – Internal Controls Framework and Principles to report serious matters under the Protected Disclosures Act 2014. This act aims to protect staff who raise concerns about possible wrongdoing in the workplace such as financial fraud.

Please also refer to the HSE Fraud Policy.

7. Glossary of terms

Term	Meaning
Additional Superannuation Contribution (ASC)	This is a contribution for Public Sector employees who are members of their public sector pension scheme. It was introduced on 1 January 2019 and replaced the Pension Related Deduction (PRD) or 'pension levy'.
Budget Holder	A Budget holder is a member of staff who has the authority and responsibility to spend HSE funds. They should act responsibly in making expenditure decisions and pro-actively manage their available funding to ensure value for money at all times.
Office of the Comptroller and Auditor General (C&AG)	The C&AG performs an audit every year of the State's accounts and submits an annual audit report to Dáil Éireann. The C&AG is nominated by Dáil Éireann and appointed by the Irish President. For more information, please see the website of the C&AG.
Exception report	An exception report refers to a document highlighting the difference between expected values and actual values.
Electronic Funds Transfer (EFT)	Digital movement of money between bank accounts without the need for paper documents.
Gross pay	Total amount paid before any statutory or voluntary deductions are deducted
HSE Self Service	Use HR and Payroll Self Service to see your payslips, apply for leave, submit travel expenses and update your details.
Local Property Tax (LPT)	An annual Local Property Tax (LPT) is charged on residential properties in Ireland. You are liable for LPT if you own a residential property on 1 November.
Marginal rate of tax	This is the rate of tax a person pays for each additional euro earned.
Net pay	Gross pay minus any statutory or voluntary deductions.
Payroll Administration	Includes OM administration, NPA and HR administration, time administration and payroll administration.

Term	Meaning
Pay As You Earn Income Tax (PAYE)	PAYE is the name given to the income tax collected through payroll.
Personal Public Service Number (PPSN)	A unique reference number for each individual that is used to access social welfare benefits and deal with public service agencies such as Revenue. PPSN Numbers are issued by the Department of Social Protection (DSP). For more information, see the Revenue website.
Pay Related Social Insurance (PRSI)	PRSI contributions go to the Social Insurance Fund (SIF), which pays for social welfare benefits and pensions. PRSI is split into various classes depending on the nature of employment and weekly earnings. For more information, see the Revenue website.
Statutory deductions	These are deductions from gross pay that must be legally made. They include PAYE Income Tax, USC, PRSI, Pension Contributions and LPT.
Time return	Process whereby a Line Manager provides a return to the TRO each week reflecting the attendances and absences for active employees in their area. The TRO then enters this information onto the local system or time sheets to instruct payroll on the entitlement for all payments and deductions within the payroll period.
Universal Social Charge (USC)	USC is a tax on income that replaced both the income levy and the health levy (also known as the health contribution) on 1 January 2011.
Voluntary deductions	These are deductions from gross pay which an employee has elected as they are beneficial to the employee. These include travel pass schemes, medical insurance, credit union deductions and union fees.

8. Acronyms and abbreviations

Term	Meaning
ACFO	Assistant Chief Financial Officer
ASC	Additional Superannuation Contribution
CHO	Community Healthcare Organisation
DOH	Department of Health
DPER	Department of Public Expenditure and Reform
DSP	Department of Social Protection
EFT	Electronic Fund Transfer
FSS	Finance Shared Service
FSS NFD	Financial Shared Service, National Financial Division
GDPR	General Data Protection Regulation
HR	Human Resources
ICT	Information and Communication Technology

Term	Meaning
LPT	Local Property Tax
NiSRP	National Integrated Staff Records and Pay Programme
NPA	National Personnel Administration
NRA	National Recruitment Administration
NRS	National Recruitment Service
NPM	National Pension Management
OM	Organisational Management
PAYE	Pay As You Earn
PPSN	Personal Public Services Number
PRD	Pension Related Deduction
PRSI	Pay Related Social Insurance
ROS	Revenue Online Service
SIF	Social Insurance Fund

Term	Meaning
SWY	Shorter Working Year
T&C	Terms and Conditions
T&S	Travel and Subsistence
THA	Temporary Higher Appointment
TRO	Time Returning Officer
USC	Universal Social Charge

9. Key control checklist

Please click the icon below to view the NFR B3 key control checklist.

10. Appendices

10.1 Appendix 1 – NiSRP roll out controls

The table below outlines the additional control measures which should be in place for the roll-out of the National Integrated Staff Records and Pay Programme (NiSRP)

	Required Control	Status (Y or N)	If No - Date for Completion
1	When NiSRP is being rolled out in an area, management ensure all staff are aware of the programme and its key elements.		
2	Staff receive training on how to use HR and Payroll Self Service and Managers receive training on HR and Payroll Self Service – Manager Self Service. There are training courses on HSeLanD for employees, managers, approvers, and staff who travel.		
3	Controls are in place to ensure that only HR and Payroll Self Service is used when it is available.		
4	Local procedures are updated to reflect the new ways of recording time and submitting T&S claims arising from the availability of HR and Payroll Self Service.		
5	Management reviews how well the NiSRP was put in place and addresses any shortfalls.		

10.2 Appendix 2 – local payroll procedures and controls

Local payroll procedures document the controls within the payroll cycle, Including the controls that apply when:

- setting up new employees and removing employees
- contract hour changes and upgrades
- processing timesheets and leave sheets
- processing travel and subsistence claims
- review and approval of payroll returns and files (all pay files and returns are reconciled with time return approvals received by Payroll for the relevant period)
- any unapproved personnel included on the pay file are investigated (this reconciliation exercise is completed by a separate individual from the staff member preparing the pay file)
- the induction of new staff joining the Payroll team

10.3 Appendix 3 – controls for processing payroll cheques

The table below is a control checklist where payroll cheques are issued.

	Required Control	Status Y or N	If No Date for Completion
1	Documented procedures for using payroll cheques are in place.		
2	Cheques can only be signed by people not involved in the processing of the pay and can only be signed on receipt of a report from payroll which reconciles to the details on the cheque.		
3	A record is kept of all cheque signatories and is reviewed on a quarterly basis by finance management.		
4	A record is maintained by payroll of all employees paid by cheque.		
5	A log is kept by payroll of when an employee receives a cheque and a register updated with dates and times of cheque release or handover.		
6	The log is reconciled to the record of all employees paid by cheque and to the payroll system by someone from outside Payroll.		
7	Employees paid by cheque cannot have bank account details recorded for them on the payroll system.		
8	No new employees are to be paid by cheque.		
9	The cheque signatories need to reconcile the log every quarter against the leavers return.		

It is HSE practice to reduce cheque payments over time in favour of EFT payments owing to efficiencies and enhanced control features associated with EFT compared to cheque payments.

10.4 Appendix 4 – form links

Form	Employees Required to Complete the Form
Cycle To Work Scheme	Staff applying for the Cycle To Work Scheme.
Employee Set Up Form	Employee and Line Manager must complete this form.
Mobile Phone Device Application Form Mobile Phone Device User Agreements	Staff wishing to apply for a HSE mobile phone device.
Travel Pass Scheme Application Form	Staff wishing to apply for a Travel Pass.

10.5 Appendix 5 – submission deadlines of forms

Submission Deadlines of Forms			
Event or Reason for Change	**Form Required**	**Submit to**	**Time Period**
Hiring new Employees	HR101	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Change in Position or Promotion	HR102	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Change in Compensation	HR102	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Increments	Signed memo or decision	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Change in working T&C	HR102	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
THA	HR103 a	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Change in Personal Details	HR104	**NPA** where appropriate or local processing unit	Minimum 4 weeks
Non-Statutory Salary Deduction (such as Health Insurance premiums, LPT)	Relevant salary deduction form	**Payroll**	Minimum 4 weeks

Submission Deadlines of Forms			
Career Breaks	HR105	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Leaving	HR106 (Leaving)	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum notice period (4 weeks) as set out in HR Contract of Employment. Preferably as soon as possible after employee decides to resign or contract is terminated.
Retirement	HR106 (Leaving) HR107a (Retirement) HR107b (Pension Dependants)	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum notice period as per HR Contract of Employment. Preferably as soon as possible after employee makes decision to retire.
Maternity Leave or Additional Unpaid Maternity Leave	HR108 I	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Parental Leave	HR108 J	**Local HR**	Minimum 4 weeks

Submission Deadlines of Forms			
		(to approval and send to NPA where appropriate or local unit to process)	
Unpaid Leave	HR108 O	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Parent's Leave	HR 108 t	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Flexible Working	HR111	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Minimum 4 weeks
Shorter Working Year (SWY)	HR115	**Local HR** (to approval and send to NPA where appropriate or local unit to process)	Date as advised in broadcast each year.