
SALARY / WAGES OVERPAYMENT RECOVERY

Introduction

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From time to time errors may occur in salary or wages paid to staff. This can occur for a variety of reasons and may result in either an under- or overpayment of salary/wages. Every effort is made to avoid such a situation, however if it does occur it must be corrected.

Underpayments are normally paid to the employee as part of their next regular pay, however an earlier manual pay may be processed in some circumstances (refer Policy “Pay and Human Resource Information Management Principles”).

Purpose

This document lays out the policy and process to recover salary/wages overpayments.

Scope

Applies to all ADHB employees and ex-employees who have been overpaid in error.

Associated documents

The table below indicates other documents associated with this policy.

Type	Document Title(s)
Board Policy Manual	Pay and Human Resource Information Management Principles
Delegated Authority Policy Manual	Part 1 - Human Resources

Section: Staff	Issuer: Chief Human Resources Officer
File: Salary-and-Wages-Overpayment_2017-02-24.docx	Owner: Chief Executive and Endorsed by the Board
Classification: PP01/STF/025	Date Issued: February 2017 - reviewed

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Policy

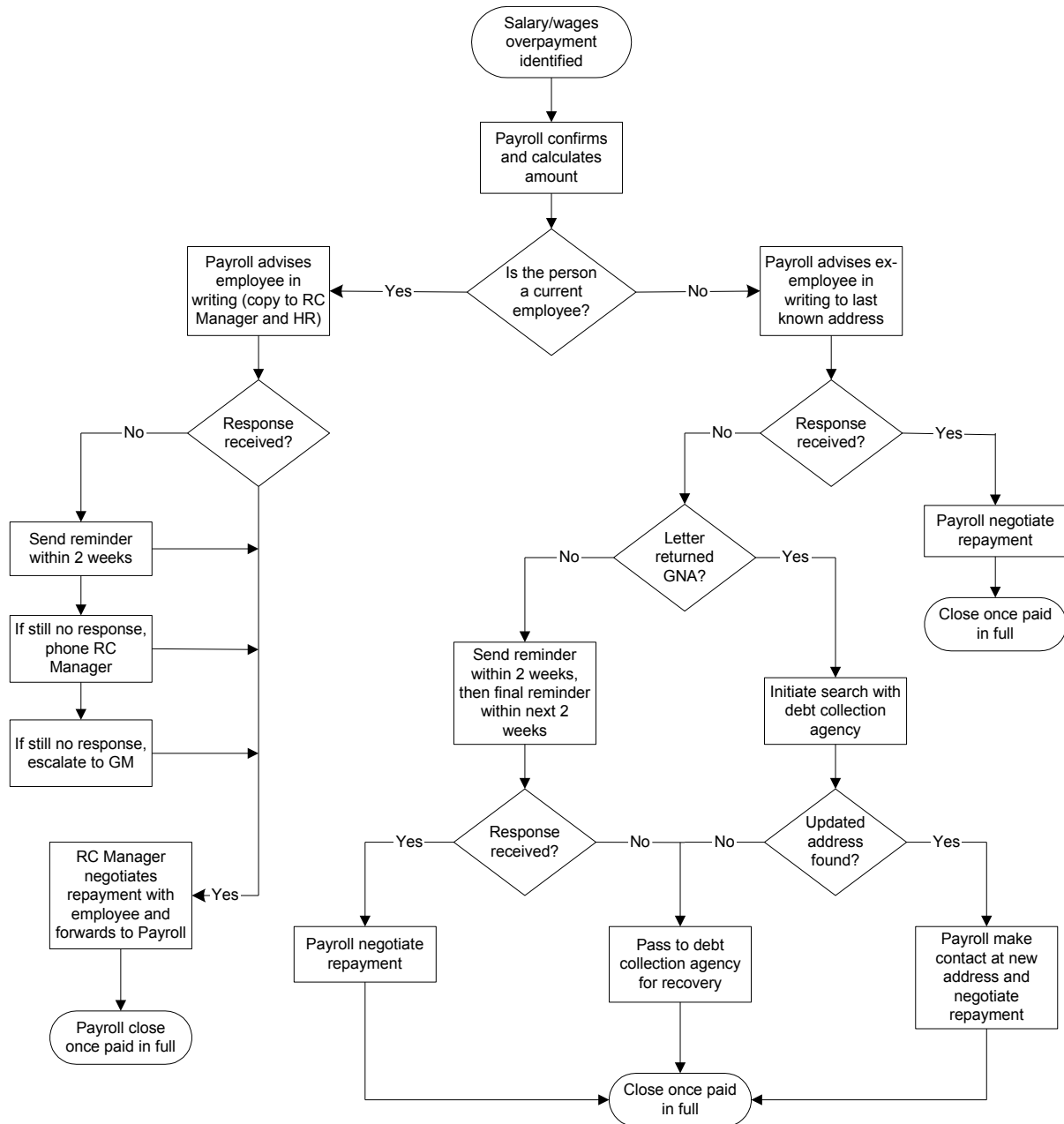
Policy statements

- It is ADHB policy that all salary/wages overpayments will be recovered whether or not the person concerned is still a current employee.
 - Employees are required to notify their RC Manager (who will liaise with Payroll) if they believe they may have been overpaid.
 - Payroll are responsible for managing the recovery process including tracking of outstanding overpayments. The Payroll Manager will report monthly to the General Manager HR on occurrence and recovery of overpayments.
 - Payroll will advise an employee or ex-employee in writing of an overpayment within two weeks of it being identified (copied to the RC Manager and relevant HR Manager if a current employee). The letter will explain how/when the overpayment occurred, what amount is owed and request payment.
 - RC Managers and ultimately GMs are accountable for obtaining agreement to repay from a current employee.
 - The Delegated Authority Policy gives clear authorities for approving terms for repayment and RC Managers must consult with the relevant HR Manager before approving repayment terms within their stated authority.
 - Usual terms for repayment are as follows:
 - If the overpayment occurred within the last 3 months, repayment should be in a lump sum or CFO sign-off.
 - If the overpayment occurred 3-6 months ago, preference is for a lump sum repayment, but the maximum repayment term is 6 months by direct debit or CFO sign-off.
 - If the overpayment occurred up to 12 months ago, preference is for a lump sum repayment, but maximum repayment term is 12 months by direct debit or CFO sign-off.
 - Overpayments will be viewed as debts in accordance with the Credit Management policies of Finance, including referral to a debt collection agency as required.(N/A to current employees).
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Recovery Process



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