



Payroll Services

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INTRODUCTION

Employees may not legally receive more money than they earned for each pay period, however, inadvertent overpayments do occur.

Overpayments occur for various reasons, such as: certification of erroneous salary rates, effective dates, or time worked; disapproval by agency's appointments or promotions; coding or keying errors; late submission of health enrollments, changes and other benefit related enrollments; retirement code changes; and release of various disability payments, etc.

POLICY AND PROCEDURE

Once the account receivable is established, the payroll technician will send an Account Receivable Notification letter to the employee's current address on file

Employees will be given 15 calendar days to respond either orally or in writing to the Account Receivable Notification letter.

The Account Receivable Notification Letter will address the following:

- Amount due
- Pay period affected
- Reason for account receivable
- Response time (15 calendar days) afforded the employee prior to collection action. Payment plan and method of collection can be discussed once employee responds to Notification letter.
- Provide the employee a reasonable amount of time to respond. For example, if the employee is on vacation and was unable to be reached, the time afforded the employee to respond should be adjusted accordingly
- Provide full consideration to the employee's response prior to action being taken. The payroll technician should work with the employee to determine an acceptable repayment schedule and seek management's approval prior to acceptance of repayment schedule.

If no response is received by the indicated date on the first Notification letter, two further attempts will be made before proceeding to collection methods.

All responses by the employee should be documented.

COLLECTION METHODS

Two methods to be used to recoup account receivables, based upon mutual agreement between the payroll technician and employee.

1. Repayment by employee via personal check or money order made payable to CSUDH

2. Installment payments via personal check, money order or payroll deduction. Payments are to cover the same number of pay periods in which the error occurred. Installment payments will not exceed 12 months.

The recoupment amount must not exceed 25% of the employee's monthly net salary. If multiple A/R's are collectively recouped from one pay period warrant, the accumulative recoupment amounts must not exceed 25% of the employee's monthly net salary. The exception is if the employee requests or agrees to a recoupment amount over 25% by establishment of payroll deductions in less pay periods than overpayment pay periods. If an employee is paid more than once a month, the deduction will be taken from the first available pay period.

The campus can proceed with recoupment actions by submission of A/R amount to a collection agency or the Franchise Tax Board:

- If the employee fails to respond to three Account Receivable Notification letters

Campus Authority:

The campus has authority to withhold an employee's pay warrant and issue a campus check for the difference between the employee's pay and the amount owed if the overpayment was made in the same pay period. For example:

- If an employee is due less pay due to a dock, etc. in the current pay period but a full month SCO warrant is issued (although not yet distributed to the employee), the campus can intercept the SCO warrant and issue a campus check for the difference between the employee's pay and the amount owed.

The employee should be notified of this offset. However, in this case, an employee cannot legally object to the offset. Likewise, a formal Account Receivable Notification letter and afforded time to respond is not necessary.

If the employee has a pattern of continuous docks each pay period, and is on direct deposit, the campus has the authority to cancel the employee's direct deposit. Once the continuous docks stop, the employee will be able to re-enroll in direct deposit.

Separating Employees:

The campus can withhold, an amount sufficient for full repayment, from any money owed the employee upon separation. If the money owed the employee upon separation is insufficient for full repayment, the campus has the right to proceed with legal action to recoup the amount owed.

Statute of Limitations:

The campus cannot take action to recoup an overpayment, pursuant to G.C. 19838, unless the action is initiated within three years from the date of overpayment. For example:

- An employee was overpaid for an overtime payment issued on 01/05/13. To recoup this overpayment, the written Account Receivable Notification letter must be provided to the employee by 01/04/16.