

CCS Administrative Procedure

2.20.01-G Payroll Overpayment

Implementing Board Policy [2.20.01](#)

Contact: Manager of Employee Compensation, 434-5285

1.0 Purpose

The purpose of this procedure is to define the process for notification and collection of payroll overpayments.

2.0 Definitions

The following definitions are specific to the terms of this procedure and do not modify or revise similar terms as used in related procedures or collective bargaining agreements.

- 2.1 Overpayment: As used in RCW 49.48.210, means a payment of wages that is greater than the amount earned for a pay period.
- 2.2 Gross Overpayment: Amount of overpayment made to an employee before any mandatory or voluntary deductions.
- 2.3 Net Overpayment: Amount of overpayment to an employee less the employee share of OASI and Medicare payroll taxes.
- 2.4 Involuntary Wage Deduction: A wage deduction the agency (CCS) imposes through procedures as detailed herein.

3.0 Notification – Represented Classified Employee

A *Payroll Overpayment Notification* form will be generated. The notification will include:

- 3.1 Amount of overpayment.
- 3.2 A Statement of fact or basis.
- 3.3 Election to dispute via Article 28 of the Collective Bargaining Agreement (CBA) Grievance Procedure.
- 3.4 A date to respond by, not to exceed 20 calendar days per RCW 49.48.210(1). Failure to respond within the 20 calendar days from the date of notice will result in CCS recovering the overpayment in accordance with RCW 49.48.200(1)(a), not to exceed 5 percent of disposable earnings.
- 3.5 Authorization for Repayment. Options will include:
 - 3.5.1 Repayment of full amount by:
 - 3.5.1.1 Cash
 - 3.5.1.2 Check
 - 3.5.1.3 Credit card
 - 3.5.1.4 Payroll deduction
 - 3.5.2 Repayment over the same number of pay periods the overpayment occurred.
 - 3.5.3 A fixed dollar amount or percentage of gross pay until the net overpayment is paid in full. (The amount must not be less than 5 percent of disposable earnings.)
- 3.6 Signature line for employee to select a repayment method listed in 3.5, above, to satisfy the overpayment.

4.0 Notification – All Other Employees

A *Payroll Overpayment Notification* form will be generated. The notification will include:

- 4.1 Amount of overpayment.
- 4.2 A Statement of fact or basis.
- 4.3 Election to appeal (as described in WAC 82-04).
- 4.4 Right to request an agency review.
 - 4.4.1 An agency review must be requested by the *respond by* date.
 - 4.4.2 If an agency review is not requested, the employee may not challenge the claim of overpayment and has no further right to an adjudicative proceeding or judicial review. [RCW 49.48.210(3)]
 - 4.4.3 The process for an adjudicative proceeding is RCW 49.48.210(4)-(9).
- 4.5 A date to respond by, not to exceed 20 calendar days per RCW 49.48.210(1). Failure to respond within the 20 calendar days from the date of notice will result in CCS recovering the overpayment in accordance with RCW 49.48.200(1)(a), not to exceed 5 percent of disposable earnings.
- 4.6 Authorization for Repayment. Options will include:
 - 4.6.1 Repayment of full amount by:
 - 4.6.1.1 Cash
 - 4.6.1.2 Check
 - 4.6.1.3 Credit card
 - 4.6.1.4 Payroll deduction
 - 4.6.2 Repayment over the same number of pay periods the overpayment occurred.
 - 4.6.3 A fixed dollar amount or percentage of gross pay until the net overpayment is paid in full. (The amount must not be less than 5 percent of disposable earnings.)
- 4.7 Signature line for employee to select a repayment method listed in 4.6 to satisfy the overpayment.

5.0 Notification Delivery

- 5.1 The following parties will receive notification of an overpayment:
 - 5.1.1 Employee
 - 5.1.2 Payroll
 - 5.1.3 Human Resources
 - 5.1.4 Budget Manager
 - 5.1.5 Internal Control Manager
- 5.2 Method of Delivery
 - All notifications will be sent by the payroll department.
 - 5.2.1 Via e-mail or intercampus mail (when available).
 - 5.2.2 If no e-mail or intercampus address is available, notice will be sent to the last known home address.
 - 5.2.3 Via certified mail (RCW 49.48.200(2)).

6.0 Collection

- 6.1 Based on the selection as outlined in section 3.5 or 4.6, above, the payroll department will collect and record monies received.
- 6.2 If the selection is anything other than full payment, and not a payroll deduction, and a scheduled payment is missed, an involuntary payroll deduction will start for the agreed upon amount the next available payroll.
 - 6.2.1 The first involuntary payroll deduction will include the unpaid amount, plus the normal agreed upon amount.
 - 6.2.2 The involuntary payroll deduction will continue until the overpayment is paid in full.
- 6.3 Once all monies have been recaptured, the payroll department will notify the employee via e-mail. If the employee has no accessible e-mail, the notice will be sent to the last known address of record.
- 6.4 Any overpayment amount still outstanding at separation of employment will be deducted from the earnings of the final pay period. [RCW 49.48.200(1)(b)]
- 6.5 If an overpayment is still outstanding after an employee terminates, the remaining balance may be turned over to a collection agency if no other arrangements are made. [State Administrative and Account Manual (SAAM) 25.80]

7.0 Related Information

- 7.1 [RCW 34.05](#), Administrative Procedure Act
- 7.2 [RCW 49.48.200](#), Overpayment of Wages – Government Employees
- 7.3 [RCW 49.48.210](#), Overpayment of Wages – Notice, Review, Appeal
- 7.4 [SAAM 25.80](#), Salary Overpayment Recoveries
- 7.5 [WAC 82-04](#), Wage Overpayment Adjudicative Hearings
- 7.6 [Article 28](#), Collective Bargaining Agreement
- 7.7 Payroll Overpayment Notification form, [CCS 2142](#)