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## 2410 OVERPAYMENTS

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Effective: December 1986  
Revised: May 2018  
Last Reviewed: May 2018  
Responsible Office: Comptroller  
Approval: Comptroller

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### PURPOSE

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To establish policy regarding salary and wage overpayment and to assign responsibility for identifying and remedying the overpayment.

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### POLICY

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*Each department is responsible for reviewing individual payroll amounts in order to ensure that they are accurate. If this review identifies individuals who have been overpaid, the following must happen:*

1. In the event an employee is overpaid in any given payroll period, the employee is responsible for bringing the overpayment to the attention of the departmental business administrator who must then notify the payroll department via the Request for Overpayment Calculation form found on the payroll website [http://www.finance.upenn.edu/forms/request\\_for\\_overpayment\\_calculation.doc](http://www.finance.upenn.edu/forms/request_for_overpayment_calculation.doc)
2. Upon receipt of the Request for Overpayment Calculation worksheet the payroll office will calculate the net overpayment that must be refunded to the University.
3. An email will be sent to the Business Administrator notifying the department of the net amount of the overpayment. It is the Department's responsibility to inform the employee of the net amount due to the University.
4. Included with the email to the Department is an authorization agreement that the employee must sign in the event that they select the cash recovery deduction. Personal checks for the full amount of the overpayment are accepted as well.
5. The payroll office will then set up a "cash recovery" deduction that will withhold up to 50% of the net pay from each of the employees subsequent pays until the overpayment is recovered in full.
6. Failure to authorize such cash recovery to reimburse the University is grounds for termination.
7. Once the overpayment has been recovered in full the employee's year to date earnings and taxes will be adjusted and the paying department will receive the corresponding credit.