

CCS Administrative Procedure

2.20.01-G Payroll Overpayment

Implementing Board Policy [2.20.01](#)

Contact: Payroll/Benefits Supervisor, 434-5291

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 Any dispute concerning the occurrence or amount of the overpayment will be resolved through the grievance procedure in Article 30 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(3). 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 in a pay period other than the final pay period.
- 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 Within twenty calendar days after receiving the notice from the employer that an overpayment has occurred, the employee may request, in writing, that the employer review its finding that an overpayment has occurred. (RCW 49.48.210(3).
 - 4.4.2 If the request is not made within the twenty-day period, , the employee may not further challenge the overpayment and has no right to further agency review, 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 When an overpayment is identified, payroll will notify the employee. The employee will complete CCS Form 2142 and return to payroll.
- 5.2 Method of Delivery
All notifications will be sent by the payroll department by certified mail to the address on file.

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 USPS mail to the address on file.
- 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 outstanding after an employee terminates, the remaining balance is turned over to accounts receivable. Per State Administrative and Account Manual (SAAM) 25.80.80, the debt may be turned over to a collection agency.

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 43.19 Salary Overpayment Recovery](#), Collective Bargaining Agreement WFSE HE CCC
- 7.7 Payroll Overpayment Notification form, [CCS 2142](#)