



Administrative Policy Manual

APM 2-11: Overpayment and Correction Procedures

Purpose To establish a policy and procedures for identifying, remedying and recouping any overpayment of wages to City employees.

Policy Statement City employees receiving overpayment in connection to wages received by the City shall be required to reimburse the City for said overpayment.

Responsibilities The Department of Finance's Payroll Division ("Finance Payroll") is responsible for making timely and accurate payment of wages to City employees. On occasion, due to errors in processing, employees may be paid more than entitled. If a departmental payroll liaison or department director becomes aware of an overpayment, he or she is responsible for reporting said overpayment error to Finance Payroll and for correcting the employee's payroll records, if necessary. If an employee becomes aware of an overpayment, he or she is responsible for reporting it to his or her departmental payroll liaison and department director. Employees must repay all amounts paid in excess, regardless of how the overpayment occurred. For employees who leave City employment before full repayment has been made, the City is authorized to pursue repayment after termination and/or deduct from the employee's final salary and/or leave balance payment any repayment amount owed to the City.

Definitions

- A. "Overpayment" is defined as any compensation paid to an employee that is in excess of the amount owed to the employee. Any overpayment shall be considered an advance of wages.
- B. "Repayment" is the process by which an employee or former employee returns an overpayment to the City of Miami.

Procedures Overpayments will be recovered from employees either by payroll deduction or personal check in the manner determined by Finance Payroll. The recovery period shall be as short as one payroll cycle but should not extend beyond



nine (9) months. Overpayments in excess of an employee’s normal bi-weekly salary shall be determined on a case by case basis by Finance Payroll, Labor Relations and the employee. Funds recovered will be credited on the payroll cycle following recovery.

If the employee receives an erroneous amount in his or her regular pay, Finance Payroll may elect one of the following methods of repayment:

- A. The employee may return the undeposited check. The employee or the department payroll liaison must write “VOID” across the check and return it to Finance Payroll with a written explanation as to how the error occurred.
- B. Full repayment by payroll deduction, check, money order or reduction of the employee’s leave balances, excluding sick leave.
- C. Repayment in installments by payroll deduction, check, or money order. Notwithstanding, the full repayment amount owed by the employee must be received by the City within the same calendar year as the overpayment.
- D. Employee Separation: If the employee separates from the City’s service prior to full repayment, the City is authorized to withhold any amount still owed from any final payouts

Notwithstanding the aforementioned methods of repayment, the City may also take any and all legal actions necessary to recover all outstanding overpayments owed by the employee.

Compliance

Failure to comply with this policy shall result in disciplinary action, up to and including termination.

Policy Number: **APM 2-11**

Date:

Issued By:



Johnny Martinez, P.E.
City Manager

REVISIONS

<u>REVISED SECTION</u>	<u>DATE OF REVISION</u>
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