

PCG Payroll Wage Overpayment and Repayment Policies



Tools & Resources

- Website: www.accounting.delaware.gov
- **Policies and Procedures** for calculating and submitting Wage Overpayments to PCG.
 - PCG-OVRPAY – Wage Overpayment Policy
 - PCG-REPAY – Payroll Repayment Policy
- **Forms**
 - Current/Prior Year Payroll Repayment Worksheet
 - Current/Prior Year Notification of Wage Overpayment Template
 - Payroll Repayment Form



Tools & Resources

- PayBreeze II
 - Download is found on the PHRST Website
 - Paycheck Calculation Software that helps you calculate:
 - Gross-to-Net Calculations
 - Gross-Up Calculations
 - Corrected Paycheck
 - Paycheck Scenarios

PayBreezeII (Build #:5497)

File Settings Action Earnings Help

Revision: 2015-B State: Delaware Period: Bi-Weekly YTD Earnings: Calc:

Federal Information

Status	Allowances	Added W/H
Married	2	\$0.00

Delaware Information

Status	Exemptions	Added W/H	Wilmington Tax
Married, Joint Return	2	\$0.00	Yoe No

Pre-Tax Plans

Description	Type	%	\$Amt/%	Description	Type	%	\$Amt/%
Pension	Plan401k	%	3.00	Medical	Plan125	%	41.57
Deferred Comp	Plan401k	\$	200.00	HSA	PlanHSA	\$	

Earnings

Description	Rate	Hrs/Units	Gross	Options
REG	22.0597	65.00	\$1,433.88	No
ALT	22.0597	10.00	\$220.60	No
				No
				No

Other After Tax Deductions

Description	Amount	Description	Amount
Minnesota Life	\$11.57		

Summary Table:

Item	Amount
Total Earnings	\$1,654.48
Pre Tax Retirement	\$249.63
Pre Tax Medical	\$41.57
Federal W/H	\$73.24
Social Security	\$100.00
Medicare	\$23.39
Medicare SurTax	\$0.00
DE Withholding	\$38.46
Wilmington Tax	\$0.00
Imputed Earnings	\$0.00
Other Deductions	\$11.57
Net Pay	\$1,116.62

Wage Overpayments

- Organization Payroll Officers work with the DOA Payroll Compliance Group (PCG) to timely and accurately resolve overpayment situations.
- The Payroll Repayment Procedure, PCG-REPAY, offers step-by-step instructions on the process for repayment calculations, employee notifications, repayment agreements, and record corrections.



Wage Overpayments

- Submit worksheet to PCG for approval.
- We will work with you if you need help with the calculations.
- Once approved, Current or Prior Year Notification of Wage Overpayment Letter is given to the employee to sign and set up repayment options. (10 Days to reply.)



Repayment Policies

- To avoid additional tax implications, overpayments must be recovered in-full in the same calendar year in which the overpayment occurred.



Repayment Policies

- Overpayments are recovered through the PHRST Payroll system in one of two ways.
 - Wage Reduction (-WGR)– If overpayment is recovered in the same year that it occurred. Employees receiving regular paychecks will have earnings on subsequent paychecks in the current calendar year reduced by the amount of the overpayment. This is entered as a negative earning.
 - After-Tax General Deduction (PAYDUE) – For prior-year overpayments, employees will have an after-tax general deduction taken to recover the overpayment.



Repayment Policies

- Overpayments occurring over multiple pay periods may be recovered over multiple pay periods to reduce financial hardship.
- No repayment shall take longer than the period of the overpayment (i.e., overpayments occurring over 3 pay periods must be repaid in no more than 3 pay periods).
- Alternative payment options may be available in cases of financial hardship.
- Accepting personal checks or money orders should be the exception to the rule.



Repayment Policies

- What if an employee is unresponsive?
 - If an employee ignores all attempts to discuss an overpayment or refuses to sign a repayment agreement, the State is entitled to collect the amount of the overpayment from the employee's current earnings.
 - Organization Payroll Officers are advised to make at least three attempts to contact an employee about a wage overpayment before initiating collection through the Payroll system. It is imperative that all attempts at communicating with the employee are documented.
 - If an employee does not sign a Notification of Wage Overpayment or Repayment Agreement form within 10 business days of notification, follow the applicable instructions in the PCG procedures for the collection of either current year or prior year overpayments.



Repayment Policies

- Wage overpayments for terminating employees, deceased employees, and employees transferring to another Organization should be turned over to the PCG for collection of the remaining balance owed.



Announcement

Disability Insurance Program (DIP) – STD Wage Paying & Recoupment Seminars

Location: Delaware Technical & Community College (DTCC), Terry Campus

Dates/Times

- October 26, 2015 from 9:00 am – 4:30 pm
- November 9, 2015 from 9:00 am – 4:30 pm

Location: Delaware Technical & Community College (DTCC), Stanton Campus

Date/Time

- December 8, 2015 from 9:00 am – 4:30 pm

Please note: Human Resources & Payroll representatives should attend jointly and on the same seminar date, as guidance will be provided for all individuals involved in the management of employee short-term disability records.

Be on the lookout! Online Registration is planned to launch the week of September 28th.



On the Horizon....

- STD Payroll Repayment Workshops
- Payroll Repayment Workshops
- Next Forum: November 2015 (Tentative)
 - Year End Checklist

