

POLICY NUMBER:

APM- 2-11

DATE:

1-30-19

ISSUED BY:

Emilio T. Gonzalez
City Manager/Designee


SIGNATURE

**CITY OF
MIAMI**



**ADMINISTRATIVE
POLICY**

REVISIONS

**REVISED
SECTION**

Created
Revised

**DATE OF
REVISION**

07/2011
01/11/2019

SUBJECT: 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 of Wages " 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.
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Procedures

- A. Overpayments of Wages shall be recovered from employees either by payroll deduction or personal check. The Department of Finance Payroll Division ("Payroll") along with the Department of Human Resources ("Human Resources") shall have the exclusive authority to determine the manner and timeframe for Repayment. The Repayment period for the total overpayment due shall be no less than one payroll cycle and shall not exceed 12 months except in cases when a longer timeframe is decided by Payroll and Human Resources. Once placed on a repayment plan, the repayment amount shall not exceed 25% of an employee's net disposable income per payroll cycle. Repayment funds will be credited on the next payroll cycle following each Repayment.
- B. If any employee receives an Overpayment of Wages from the City, Payroll may elect one of the following methods of Repayment:
 - 1. The employee may return the undeposited check. The employee or the department payroll liaison must write "VOID" across the check and return it to Payroll together with a written explanation as to how the error occurred. The department payroll liaison is responsible for providing the written explanation as to how the error occurred. If an employee is paid by direct deposit and an Overpayment of Wages is identified within five (5) days of the pay date, Payroll will request the employee's bank to reverse and return to the City the entire amount deposited. Payroll will also notify the employee in writing of the Overpayment of Wages and the request for reversal. Once funds are returned from the bank, the corrected pay will be processed and made available to the employee either by direct deposit or check.
 - 2. Full Repayment by payroll deduction, check, money order or reduction of the employee's leave balances, excluding sick leave.
 - 3. Repayment in installments by payroll deduction, check, or money order. The full Repayment amount owed by the employee must be paid to the City as mandated in paragraph "A" of this section.
 - 4. 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.

In addition to the aforementioned methods of Repayment, the City may also take any and all legal actions necessary to recover all outstanding Overpayment of Wages owed by any employee.

Compliance

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