



STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS

APPLICABILITY
DEPARTMENT WIDE

REVISION DATE
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POLICY

TITLE
RECOVERY OF OVERPAYMENTS TO EMPLOYEES

REVIEW/REVISION HISTORY:

Effective: 11/9/84
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Revised: 7/25/24

SUMMARY OF REVISION/REVIEW:

Major changes to include removal of information contained in the State Administrative and Accounting Manual, updated procedures, and reorganization of policy content. Read carefully!


APPROVED:

Signature on file

CHERYL STRANGE, Secretary
Department of Corrections

6/24/24

Date Signed

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REFERENCES:


DOC 100.100 is hereby incorporated into this policy; [RCW 19.16.500](#); [RCW 43.17.240](#); [RCW 49.48.200](#); [RCW 49.48.210](#); [Collective Bargaining Agreements](#); [IRS Publication 15, Employer's Tax Guide](#); [State Administrative Accounting Manual \(SAAM\) 25.50](#); [SAAM 25.60](#); [SAAM 25.80](#); [SAAM 85.34.40](#)

POLICY:

- I. The Department has established guidelines for the recovery of overpayments (i.e., gross overpaid earnings) to employees and former employees.
 - A. Employee premiums and contributions in arrears (i.e., debt or late payments) are only considered an overpayment when due to a payroll error.
- II. Knowingly receiving and failing to report an overpayment may result in corrective or disciplinary action, up to and including dismissal.

DIRECTIVE:

- I. General Requirements
 - A. Overpayments of less than \$5.00 will be deducted automatically by the payroll system.
 - B. Overpayments between \$5.00 and \$20.00 will be deducted automatically by the payroll system. Employees will be notified via email that the amount will be deducted the following pay period.
 - C. Employees will be notified that an overpayment of \$20.01 or more has occurred.
 1. The employee may be contacted to informally discuss repayment options.
 2. If an informal agreement cannot be reached, the employee will be notified in writing. The notice will include the:
 - a. Amount of the overpayment,
 - b. Basis for the claim,
 - c. Employee's rights, and
 - d. Employee's options for repaying the debt.
 3. The employee must respond within 20 days from the delivery date of the notice to establish a voluntary repayment plan or dispute the overpayment.

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- a. Former employees will be allowed up to 30 days to respond.
 - b. Represented employees will follow collective bargaining agreements.
4. A written agreement will be established for a voluntary repayment plan of \$20.01 or more.
 5. If the employee does not respond within the applicable timeframes, the debt will become final and the Department may be reimbursed through involuntary payroll deductions.

II. Repayment Process

- A. Payments will begin the following pay period from the date that the debt is determined to be valid per the signed agreement or as ordered by the Office of Administrative Hearings.
- B. Upon separation from the Department, the remaining debt may be deducted in the final pay period from the employee's disposable earnings as defined in SAAM 25.60, including paid leave/compensatory time that has been cashed out.
 1. The employee must make payment arrangements within 30 days of separation if the debt remains unpaid.
- C. Debts may be referred to a collection agency per RCW 19.16.500 or recovered through civil court.

III. Dispute Process

- A. Disputes will be submitted in writing to the Headquarters Payroll Office for review.
- B. The Agency Payroll Officer/designee will review the dispute and notify the employee of the decision in writing.
 1. The employee may request a meeting to discuss the decision.
- C. If the review determines that the debt is owed, the employee may request an adjudicative proceeding. The Agency Payroll Officer/designee will coordinate scheduling the hearing with the Office of Administrative Hearings.
- D. Represented employees will follow collective bargaining agreements if the dispute process is determined to be in conflict.

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IV. Leave Without Pay

- A. Overpayments for leave without pay requests will automatically be deducted in the pay period in which the request was submitted.
 1. Represented employees who did not submit a leave slip per the collective bargaining agreement will be notified in writing and must respond in writing within 5 days.
 - a. If the employee does not respond, the debt will be collected through involuntary payroll deductions equal to the number of pay periods in which the leave without pay occurred.
 2. An employee who is on leave without pay for more than 30 days will be notified in writing that an overpayment has occurred when the employee returns to work.
- B. If the current pay period is not sufficient to cover the leave without pay request, the remaining overpayment will be deducted from subsequent pay periods until paid in full.

DEFINITIONS:

Words/terms appearing in this policy may be defined in the glossary section of the Policy Manual.

ATTACHMENTS:

None

DOC FORMS:

None