



Guidance on Salary Overpayments

Context

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Who can help?

👉 Human Resources (HR) can will provide support on arrangement of recovery for this policy, payroll@napier.ac.uk

Please Note

This policy does not form part of your contract of employment with the University and may be subject to change, at any time.



1. Introduction

This guidance outlines the way in which overpayments of salaries will be recovered should these occur.

To minimise the impact of possible overpayments you are reminded to check your monthly payslip and advise Payroll of any anomalies at the earliest opportunity.

2. Legal Position

The law, specifically Section 14 of the Employment Rights Act 1996 gives an employer the right to make a deduction from salary where the purpose of the deduction is the reimbursement of an overpayment of salary or allowances. This is also outlined in your contract of employment.

3. Key Principles

We have processes and procedures in place including auditing controls, along with payroll cut off dates to minimise any overpayments. Unfortunately, there may still be rare occasions when overpayments occur, due to errors or late notifications of contractual changes.

It is standard practice that we will look to recover all overpayments regardless of their value and how they may have occurred. We will support you through the process; in determining a repayment plan; and will endeavour to act as fairly and reasonably as possible.

The recovery/repayment period will normally be the same as the period over which the overpayment occurred, this is in line with best practice as outlined by the Institute of Payroll and Pensions Management.

4. Process

When an overpayment is highlighted to the Payroll team, we will notify you in writing outlining the overpaid amount, along with suggested repayment arrangements.

Your options in these circumstances could include:

- ✔ A one lump sum repayment; or
- ✔ A monthly recovery plan where an overpayment has occurred over several months. Any plan agreed will not normally exceed 12 months.



4.1. Overpayments occurring in one month

In cases where an overpayment has been identified in one period, we will ask for net overpayment to be repaid at the time direct into the University bank account OR if there are sufficient funds being paid the following month, the gross overpayment will be recovered in full from that months pay. We will notify you in writing of the options and agree with you the most suitable arrangement for the repayment.

4.2. Overpayments recovery exceptions

If the suggested recovery period is unsuitable, we will investigate agreeing an exception to this based on individual circumstances.

For Example: Casual workers - where the hours worked in the future months won't cover the overpayment OR if the member of staff presents a reasonable case as to why the suggested recovery period will cause difficulties, the Payroll Manager may, at their discretion, agree to adjust the recovery period. In the event, that this happens, we will write to you confirming the repayment arrangements.

4.3. Offsetting overpayments

We may offset an overpayment in full, or the maximum amount possible against any arrears which may be due, as a result of pay awards, contractual changes etc.

4.4. Recovery of overpayment for Leavers

Should you have any overpayment still outstanding when your employment ends, it will be automatically deducted from any monies due to you at that time.

If an overpayment is highlighted after your employment has ended, we will write to you requesting that the sum be repaid in one single payment, normally within one month of receipt of the letter.

You should note that failure to respond or refusal to repay the amount may result in debt recovery proceedings.

5. Responsibilities

All employees	<ul style="list-style-type: none">✔ Personal responsibility to review their payslip and payments each month and advise Payroll of any anomalies or suspected anomalies, at the earliest opportunity.✔ Notify Payroll if any changes have not been updated on your payslip, such as a change in grade or hours that would impact salary.
Managers	<ul style="list-style-type: none">✔ Ensure all changes are notified by the payroll cut-off date each month, or as soon after, to prevent overpayments occurring.
HR	<ul style="list-style-type: none">✔ Calculate overpayments and communicate formally in writing.✔ Arrange and agree repayment arrangements with employees.

Document Control

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