

Classification and Compensation: Overpayments and Underpayments of Salary

Subject:	University Human Resources
Policy:	Overpayment and Underpayment of Salary
Effective Date:	January 1, 2019
Revised:	
Review Date:	Three (3) years from Effective Date above
Responsible Party:	University Human Resources
Applicability:	This policy applies to all employees

1. INTRODUCTION AND PURPOSE

University Human Resources and departments work to ensure employees are paid correctly. However, there are occasions in which an employee may be overpaid or underpaid. This policy outlines how inaccurate salary payments will be resolved.

2. EMPLOYEE RESPONSIBILITY

Employees are expected to check their paystub records for accuracy. Any potential inaccuracies regarding compensation, leave accruals, or deductions should be reported to University Human Resources as soon as it is discovered.

3. OVERPAYMENT

As a state agency, the university is required to recover overpayments of public funds. Therefore, employees must repay the full amount of any overpayment of salary regardless of the cause of overpayment or when it is discovered. If University Human Resources discovers, or is notified, an employee has been overpaid, it will notify the employee, in writing, of the amount of overpayment and the method by which the overpayment will be recouped.

- a. If the employee believes the amount of overpayment is incorrect, they must notify University Human Resources. Once the amount of overpayment is determined, University Human Resources will proceed with collection.
- b. Overpayments may be collected by using one of following methods:

- i. Whenever possible, overpayments will be collected by deduction from the employee's subsequent paycheck(s). The general guideline is that an overpayment will be collected over the same number of months the employee was overpaid.
- ii. An employee can elect to repay any overpayment by writing a personal check, payable to MSU, or through any other approved form of electronic repayment for the net overpayment.
- c. University Human Resources will work with the affected employee to recover the overpayment without causing undue financial hardship to the employee.

4. UNDERPAYMENT

If an employee is underpaid, the department may request University Human Resources:

- a. Issue a special check to the employee up to four (4) working days following payday. A service fee may be assessed to the employee's home department if the error originated outside of UHR; or
- b. Pay the employee on the supplemental payroll (26th of the month).