



**OVERPAYMENT POLICY**

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<b>Policy Group</b>	Overpayment Group		
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## **1. INTRODUCTION**

All staff will provide accurate information to Payroll Services in timely manner to ensure correct salary and wages payments are processed accurately.

There are however occasions when overpayments are made mainly due to circumstances out with the control of the Pay Department.

If an overpayment occurs, NHS Dumfries and Galloway have a duty to recover the overpayment from the employee. Similarly, NHS Dumfries and Galloway will take steps to correct any underpayment of salary to which an employee is entitled.

## **2. THE EMPLOYMENT RIGHTS ACT 1996**

The Employment Rights Act 1996 provides that it will not be an illegal deduction from wages to recover an overpayment/ money owed from salary. This means that NHS Dumfries and Galloway is not prevented from deducting the overpayment/ money owed from future wages or salary provided that this is done reasonably over a period of time and not done in such a way as to amount to a breach of trust and confidence in the employment relationship. This will be conducted in a sensitive manner taking into account individual circumstances.

## **3. PURPOSE AND SCOPE**

The purpose of this policy and procedure is to ensure that the action taken when dealing with such matters is consistent throughout NHS Dumfries and Galloway.

This Policy applies to all directly employed staff, including bank/ temporary staff and those on secondment.

NHS Dumfries and Galloway will always make every attempt to agree a repayment schedule with an employee and employees are encouraged to participate fully with these communications. However, where the employee does not wish to participate in such discussions, a repayment schedule will commence, in their absence, and details of this will be sent to the employee.

NHS Dumfries and Galloway will take into account the fact that individual circumstances differ.

NHS Dumfries and Galloway recognise that overpayments can vary greatly in relation to the time period over which an overpayment has occurred and the amount of the overpayment

#### **4. POLICY AIMS**

This policy's primary aim is to focus on 'what happens' following an overpayment rather than why it occurred in the first place. However, systems and processes should be reviewed and amended where appropriate to try and prevent a recurrence. Reference should also be made to the Standing Financial Instructions where appropriate to ensure compliance and corrective action taken where appropriate.

Any matters of theft/ fraud will be dealt with in accordance with the Fraud, Theft Policy and Response Plan.

Under this policy it is recognised that there are several ways in which an overpayment can be discovered. For example, either through the employee highlighting this to their manager or a discovery by the Payroll Department.

#### **5. STAFF ROSTERED VIA SSTS**

When an error has occurred during input to SSTS, adjustment will automatically take place the next pay period. Where an employee is rostered through the SSTS System there is direct input into the Payroll system and therefore SSTS/ Payroll Sections have no direct knowledge if information input by Manager is correct.

If Payroll are aware of an overpayment a Payroll Representative will make the line manager, or designated supervisor aware of this and it is their responsibility to inform the employee that this will be deducted in the following week/ month's salary. Where the salary has not been transmitted via BACS to the employee's account, Payroll will stop the transaction, recalculate and process correct salary to employee's account.

Where the monies owed is of a small amount or where an employee has erroneously been paid for a shift or enhancements for one month, this will normally be deducted in full from the next week/ month's salary.

#### **5.1 OVERPAYMENTS**

A calculation will be done by the Payroll Officer to identify the GROSS amount overpaid and an adjustment made immediately so that the correct salary is paid the following week/ month.

Payroll Services shall write to the individual (Appendix 2) informing them how the overpayment occurred, the GROSS amount due for repayment and confirming the number of months that they would want the monies to be recovered as per Overpayment Deduction Guidance Table Appendix 1.

This will not normally be a period greater than 12 months; however, individual circumstances will be taken into account. The letter will highlight that repayment will commence in the following pay period.

If the employee fails to agree to repayment schedule, a repayment schedule will be initiated and the details confirmed to the employee in writing. While NHS Dumfries and Galloway would see this approach as a last resort, this will be initiated in line with the Employment Rights Act 1996.

## **5.2 LEAVER**

A calculation will be done by Payroll Officer to identify GROSS amount overpaid and reduce this to a NET amount overpaid. This will therefore correct overpayment in Tax, National Insurance and if applicable Superannuation. Payroll Services shall write to the individual (Appendix 3).

In the event that an employee has left or is leaving the service before deductions from salary can be completed, or even initiated, then the employee will be formally informed that the debt, if not cleared by a one-off cheque payment, will be recovered in full from their last salary. Where the full amount cannot be recovered before the individual leaves the debt will be passed to NHS Dumfries and Galloway's Debtors Department who will invoice the (ex) employee requesting repayment.

If payment is not made, or no contact made by the employee, NHS Dumfries and Galloway Debtors Section, as a last resort, will pass the debt to a recovery agency as appropriate. Employees should note that where an overpayment is not repaid and this is passed to a debt recovery agency, this may have an affect of their future credit rating and would also incur additional costs to them.

## **5.3 INDIVIDUAL CIRCUMSTANCES**

NHS Dumfries and Galloway recognise that individual circumstances differ. NHS Dumfries and Galloway does not wish to impose unnecessary financial hardship on an employee, however, recognition must be taken into account that NHS Dumfries and Galloway operates with public monies and as such must make arrangements that take both of these factors into account.

Individual circumstances will be considered and NHS Dumfries and Galloway may extend repayment periods to assist the employee.

NHS Dumfries and Galloway Policy will be to seek 100% of any overpayment/ money owed at all times.

## **5.4 EMPLOYMENT IN MORE THAN ONE POST**

If an employee holds more than one post with NHS Dumfries and Galloway and the employee has been overpaid/ owes money from a post now ceased, repayment shall take place from primary post. The repayment instalments shall be based on salary from primary post.

If employee has been overpaid/ owes money from a bank post/ relief post, repayment shall be taken from primary post. The repayment instalments shall be based on salary from their primary post.

The primary post is the post in which the employee earns highest salary as this will reduce length of repayment.

## **6 ROLES AND RESPONSIBILITIES**

All staff have a responsibility to make themselves aware and understand the policy.

### **Employees:**

- Check their payslips to ensure they are being paid correctly.
- Highlight any overpayments to their manager and the Payroll Department.
- Actively participate in the discussion to agree a repayment schedule.

### **Managers and Supervisors:**

- Ensure that robust processes are in place for the reporting of hours worked.
- Ensure that Notice of Change Forms and Termination Forms are completed in a timely manner.

### **Trade Union Representatives:**

- Ensure their members are aware of their rights and responsibilities.
- Advise their members accordingly.

### **Payroll:**

- Facilitate the identification and recovery of overpayments/money owed.
- Will keep a record of all overpayments/money owed and their status.
- Ensure that Notice of Change Forms and Termination Forms are processed in a timely manner.

### **Human Resources:**

- Provide advice in relation to implementation and monitoring of the policy.
- Support employees and managers by providing advice on policy and process.

## **7 EQUALITY AND DIVERSITY**

NHS Dumfries and Galloway are committed to equality and diversity in respect of the six equality groups defined by age, disability, gender, race, religion/ belief and sexual orientation. The overpayment policy will be applied taking into account the quality and diversity principles. This policy is designed to provide NHS Dumfries and Galloway staff with a corporate template and a documented process for developing documents and procedures for the organisation to ensure good governance arrangements are in place.

In line with the Scottish Government's guidance, an Equality and Diversity Impact Assessment has been completed.

## **8 Employee Advice**

An employee who believes he/ she has a complaint should seek advice with reference to NHS Dumfries and Galloway Grievance Policy.

## **9 APPENDICES**

1. Overpayment Deduction Guidance Table
2. Overpayment letter – current staff
3. Overpayment letter – leaver

### Overpayment Deduction Guidance Table

A calculation will be done by Payroll Officer to identify the GROSS amount overpaid, and this will be deducted according to the following table:

Gross O/Paid	Deduction Period	
	Weekly	Monthly
Up to £25.00	1 Week	1 Month
£25.00 - £50.00	2 Weeks	1 Month
£50.00 - £75.00	3 Weeks	1 Month
£75.00 - £125.00	5 Weeks	1 Month
£125.00 - £150.00	6 Weeks	2 Months
£150.00 - £200.00	8 Weeks	2 Months
£200.00 - £300.00	By Arrangement	3 Months
£300.00 - £400.00	By Arrangement	4 Months
£400.00 - £500.00	By Arrangement	5 Months

For GROSS overpayments above £500.00 the repayment period will be extended by 1 month for every £200.00.

Every effort will be made to adhere to these deduction amounts, but repayment period is negotiable

Tel: 01387 244075  
Fax: 01387 244080  
E-Mail XXXXXXXXXXXXX

Ref: Overpayment  
Date: XXXXXXXXXXXXX

**PERSONAL**

Address XXXX  
XXXXXXXXXXXXX  
XXXXXXXXXXXXX  
XXXX xxx

Dear XXXXXXXX

**Re: OVERPAYMENT OF SALARY**

I am writing to inform you that it has come to my attention that you have been overpaid in salary from xxxxxx – xxxxxx. This was due to -----Payroll/SSTS input error, Late notification of info etc.----Add any further details that may be relevant.

Unfortunately this has resulted in a Gross overpayment of £ xxxx

I am writing to you to inform you of this overpayment and also to reach agreement with you on a repayment schedule. It is important that if you do not understand any aspects of this letter that you contact me, as I will be able to help you understand and can provide additional information if required.

As payment was made from Public Funds and with reference to NHS Dumfries and Galloway Policy the total amount must be repaid.

In line with the Boards Overpayment Policy I am proposing to recover the overpayment as follows. Deductions from your salary at the rate of £xxx.xx per week/month (Delete as applicable) until the total amount has been repaid. You must contact the pay office within 28 days from the date of this letter if you have any concerns or do not agree to the repayment schedule which we have proposed. We are able to discuss revised repayment terms if required. If we don't hear back from you we will assume you are in agreement and will initiate recovery as per our proposal. Please note that you can make a one-off payment of the overpayment amount by cheque.

When deducting overpayment as a Gross amount from your salary, this will also reduce your Tax, National Insurance and if applicable Superannuation deductions during repayment period. To aid transparency the overpayment will be shown via a separate payroll code.

It should be noted that if you leave service prior to completing repayment the total outstanding balance will be deducted from your salary.

Alternatively if you wish to discuss the above, or you wish clarification of the overpayment, please do not hesitate to contact me on the above number.

Please accept our apologies for any inconvenience.

Yours sincerely

**Joanne Inglis**  
**Payroll Manager**

C.c.: Line Manager

**Dumfries and Galloway  
NHS Board**

**Dumfries and Galloway Health Board  
Pay Office  
High South  
Crichton Hall  
Dumfries  
DG1 4TG**

**Tel No: 01387 244360  
Fax No: 01387 244080**

**Date XX XX XXXX**

**Title Forename Surname  
Address line 1  
Address line 2  
Town  
Postcode**

Dear Title Surname

**Re: OVERPAYMENT OF SALARY**

I regret to inform you that you were overpaid on your salary. This was due to: Payroll/SSTS input error, Late notification of info etc.----Add any further details that may be relevant.

This has resulted in a gross overpayment of £ , and after deductions for Tax, National Insurance, and Superannuation, the net amount outstanding is: £ .

As public monies are involved we have to ask for repayment of the net amount.

As you have left our employment we are unable to recovery via salary deductions. Attached is our invoice for the outstanding balance. Please forward your cheque to the above address made payable to Dumfries and Galloway Health Board.

If you require any further assistance please contact Debtor Section on 01387 244088. Note we require a response within 21 days of this letter.

Please accept our apologies for any inconvenience this has caused.

Please note however, if payment is not made, or no contact made, NHS Dumfries and Galloway debtors section, as a last resort, will pass the debt to a recovery agency as appropriate. Employees should note that where an overpayment is not repaid and this is passed to a debt recovery agency, this may have an affect on your future credit rating and would also incur additional costs to you.

Yours sincerely

**Payroll Officer Name  
Payroll Officer**

C.c: Line Manager

Title: Overpayment Policy  
Policy Date: December 2012  
Version: V1  
Author: J Inglis

## DOCUMENT CONTROL SHEET

### 1. Document Status

<b>Title</b>	Overpayment Policy
<b>Author</b>	Overpayment Group
<b>Approver</b>	
<b>Document reference</b>	
<b>Version number</b>	1.0

### 2 Document Amendment History

<b>Version</b>	<b>Section(s)</b>	<b>Reason for update</b>

### 3. Distribution

<b>Name</b>	<b>Responsibility</b>	<b>Version number</b>
Board Secretary	Place on policy register	1.0
Communications Team	Place on intranet and in 'latest news'	1.0
Board Management Group	Dissemination to all staff through line management	1.0

### 4. Associated documents

NHS QIS Clinical Governance and Risk Management Standards 2005

### 5. Action Plan for Implementation

<b>Action</b>	<b>Lead Officer</b>	<b>Timeframe</b>
Place on policy register	Board Secretary	
Place on intranet	Communications Team	
Dissemination to senior staff through line management	Board Management Group	
Raise awareness and inform staff	All line managers	
Use policy	All staff	

