



Overpayment Policy

Printed copies must not be considered the definitive version

DOCUMENT CONTROL		POLICY NO.	100
Policy Group:	Overpayment Group		
Lead Author:	Deputy Director of Finance		
Lead Executive:	Director of Finance		
Scope: (Applicability)	Board wide	Version no.	3.0
Status:	Final	Implementation date:	March 2025
Last review date:	December 2025	Next review date	December 2027
Approved by:	APF	Approval date:	April 2026
Equality Impact Assessed:	Yes	Equality Impact Assessment date:	June 2025
Data Protection Impact Assessed:	No – Not required	Data Protection Impact Assessment Date:	Not applicable

Policy on a page

Summary & Aim	Key Requirements
This policy explains how staff salary and payment overpayments are identified, communicated and recovered. It supports fair, consistent and sensitive recovery while protecting public funds and reducing recurrence.	Accurate and timely payroll information; prompt notification; recovery of 100% of sums due; reasonable repayment arrangements; case-by-case consideration; accurate records; and corrective action to prevent recurrence.
Target Audience	Previous Names
All staff, managers, Payroll Services, Workforce, Staff Side representatives and relevant Finance/Debtors staff	Overpayment Policy (previous versions)

Equality and Diversity Statement
NHS Dumfries and Galloway recognise that some communities within society are more likely than others to experience discrimination, prejudice and inequalities. The Equality Act 2010 specifically recognises the protected characteristics of age, disability, sex, race, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity, and marriage and civil partnership. The Fairer Scotland Duty, also requires NHS Dumfries and Galloway to actively consider how socio-economic disadvantage can be reduced when making strategic decisions. The New Armed Forces Covenant Statutory Duty places an expectation on NHS Dumfries and Galloway to consciously consider the Armed forces Covenant when developing, delivering and reviewing policies and decisions which may impact the Armed Forces community and help improve their access to public services. Consideration on all of the protected characteristics, the Fairer Scotland Duty and the Armed Forces Covenant are included within the Equality Impact Assessment process and documentation, which must be completed as part of the Policy Development Process. NHS Dumfries and Galloway is committed to promoting and advancing equality, removing and reducing discrimination and harassment and fostering good relations between people that hold a protected characteristic and those who do not. This applies both in the provision of services and as our role as a major employer. NHS Dumfries and Galloway believe that all people have the right to be treated with dignity and respect and is committed to the elimination of unfair and unlawful discrimination practice.

BOARD PUBLIC

CONTENTS

		Page
1	PURPOSE AND RATIONALE	4
2.	POLICY AIMS	4
3.	POLICY SCOPE	4
4.	DEFINITIONS	5
5.	DUTIES / RESPONSIBILITIES	5
6.	PROCESS / PROCEDURES	6
7.	CONSULTATION	7
8.	TRAINING AND SUPPORT	8
9.	MONITORING	8
10.	EQUALITY IMPACT ASSESSMENT	9
11.	DATA PROTECTION IMPACT ASSESSMENT	9
12.	DOCUMENT CONTROL SHEET	10

APPENDICES

Appendix 1 – Current employee process	11
Appendix 2 – Leaver process	12
Appendix 3 – Equality Impact Assessment summary	13

BOARD PUBLIC

1. PURPOSE AND RATIONALE

- 1.1 All managers and staff must provide accurate information to Payroll Services in a timely manner so that salary and wage payments can be processed correctly using the relevant systems, including eESS, SSTS, eExpenses and Payroll.
- 1.2 Payroll Services will make every effort to process payments in accordance with authorised transactions. Delays in processing changes such as reductions in hours or grade, fixed-term contract changes and terminations may result in an overpayment.
- 1.3 Where an overpayment occurs, NHS Dumfries and Galloway has a duty to recover the amount and will seek recovery of 100% of the money owed. Recovery will be undertaken reasonably and sensitively, taking account of individual circumstances.
- 1.4 The Employment Rights Act 1996 permits deductions from wages to recover an overpayment. Recovery must be managed in a manner that is reasonable and does not undermine trust and confidence in the employment relationship.

2. POLICY AIMS

- 2.1 The primary aim is to provide a clear and consistent process following an overpayment. Where an overpayment occurs, systems and processes should also be reviewed and amended where appropriate to prevent recurrence. Reference should be made to the Standing Financial Instructions to support compliance and corrective action.
- 2.2 The policy aims to ensure that employees are told how the overpayment arose, are given an opportunity to discuss the matter, and are involved in agreeing a repayment schedule wherever possible. If an employee does not engage, a reasonable repayment schedule may be implemented and confirmed to them in writing.
- 2.3 Individual circumstances will be considered on a case-by-case basis while maintaining the organisation's obligation to protect public funds.

3. POLICY SCOPE

- 3.1 This policy applies to all individuals directly employed by NHS Dumfries and Galloway, including bank and temporary staff, and to anyone whose salary or other payment is processed through the payroll system.
- 3.2 The policy covers overpayments arising from payroll, rostering, contractual, absence and expenses information, including overpayments identified after employment has ended.

4. DEFINITIONS

- 4.1 An overpayment occurs where an employee receives an amount through pay or expenses to which they were not entitled.
- 4.2 Examples include:
- Contractual changes not being processed, approved and confirmed through eESS before, or in the same payroll period as, the effective date.
 - Inaccurate roster information, incorrectly entered additional hours, or failure to record absences correctly in SSTS or another rostering system.
 - Expenses claims approved without an adequate review.
 - Pay or allowance continuing after entitlement has changed or ended.
- 4.3 Current pay period error means an overpayment identified in the current pay period which relates to an error arising in the immediately preceding pay period.
- 4.4 Historic overpayment means an overpayment identified in the current pay period which relates to an earlier period.

5. DUTIES / RESPONSIBILITIES

- 5.1 All staff, managers and Staff Side representatives have a responsibility to make themselves aware of this policy and to support its fair application.
- 5.2 Employees
- Check payslips and raise any apparent error promptly with their manager and Payroll Services.
 - Provide relevant information and actively participate in discussions to agree a repayment schedule.
 - Keep Payroll Services informed of any change affecting an agreed recovery arrangement.
- 5.3 Managers and Supervisors
- Understand and discuss the circumstances of the overpayment with the employee.
 - Ensure contractual records are corrected promptly through eESS
 - Ensure hours, absence and roster information is accurate in SSTS or the relevant system.
 - Meet with the employee promptly when a repayment arrangement is required.
 - Implement corrective action to minimise recurrence and obtain Workforce advice where required.

BOARD PUBLIC

5.4 Payroll Services/Finance

- Identify and calculate the overpayment, explain the value due and maintain the case until records are corrected.
- Notify the employee and manager, recover the overpayment and maintain records of amounts, arrangements and status.
- Ensure payroll returns and records are corrected and provide information for monitoring and reporting.

5.5 Workforce

- Provide advice and support on application of the policy.
- Support consideration of the circumstances, corrective measures and any request for an extended repayment period.
- Coordinate with managers, employees and Payroll Services where complex or sensitive circumstances arise.

5.6 Staff Side Representatives

- Help members understand their rights and responsibilities.
- Advice and accompany members at meetings where required.

6. **PROCESS / PROCEDURES**

6.1 Recovery Principles

NHS Dumfries and Galloway will seek recovery of 100% of money owed. The default repayment period should not exceed the period over which the overpayment occurred. Individual circumstances will be considered when the recovery schedule is determined.

6.2 Recovery Methods

- Current pay period errors: normally recovered in full in the current pay period.
- Historic overpayments: recovered through an agreed schedule which normally will not exceed the period over which the overpayment arose.
- Former employees: recovered through the Debtors process.
- Offsetting arrears: backdated pay increases and salary review arrears may be offset against an outstanding balance.
- Final salary deductions: an outstanding balance will be deducted from final salary. If final salary is insufficient, a repayment agreement will be established for the remaining amount.

6.3 Current pay period errors

Employees will be notified by email to their work address and, where recorded, their home email address. The notification will explain the overpayment and the recovery intended in the next pay period. The manager will be copied and should ensure the employee has received and understood the message.

BOARD PUBLIC

6.4 Historic overpayments

Payroll Services will discuss the overpayment with the manager before formal notification is issued to the employee and manager. The manager should arrange a meeting promptly to discuss the circumstances and establish a repayment schedule. The employee may seek advice from a trade union representative and may be accompanied at meetings. Managers may obtain Workforce support.

A repayment period exceeding the period over which the overpayment arose requires approval from the Head of HR and the Deputy Director of Finance.

6.5 Disagreement and non-engagement

Where an employee does not participate in discussions, Payroll Services may implement a reasonable repayment schedule and confirm the arrangement in writing. Any concerns about the calculation should be raised promptly so that the amount and supporting records can be reviewed.

6.6 Non-recovery and appeal

All salary overpayments will normally be pursued and recovered in full. Any appeal against the recovery process will be considered by the Chief Executive and Director of Finance, whose decision will be final.

In exceptional and rare circumstances, NHS Dumfries and Galloway may decide not to pursue all or part of an overpayment. Any such decision is subject to the Scottish Public Finance Manual and the organisation's delegated authority, must be demonstrably in the public interest, and requires joint approval by the Chief Executive and Director of Finance. Waiver decisions will be formally reported to the Audit and Risk Committee and the Scottish Government.

6.7 Records and confidentiality

Information relating to an overpayment will be handled confidentially and shared only with those who require it to calculate, authorise, administer, advice on or monitor recovery. Records should clearly document the calculation, correspondence, repayment agreement, approvals, payments and closure of the case.

7 CONSULTATION

7.1 The policy was developed and reviewed with input from Management, Human Resources / Workforce and Staff Side representatives. The Equality Impact Assessment records engagement with relevant Finance, Payroll and Governance colleagues.

7.2 Future reviews should include Payroll Services, Finance, Workforce, Staff Side representatives and other stakeholders with operational or governance responsibilities for the process.

8 TRAINING AND SUPPORT

- 8.1 No formal training programme is required. Implementation will be supported through publication of the policy, manager and staff communications, and advice from Payroll Services and Workforce.
- 8.2 Managers should ensure that staff responsible for eESS, SSTS, eExpenses and payroll-related approvals understand their responsibilities and receive appropriate local guidance on the relevant systems.

9 MONITORING

- 9.1 The monitoring arrangements for this Policy are set out in the table below. Monitoring should support assurance that overpayments are recovered, cases are progressed, recurring causes are addressed and exceptional decisions are properly authorised and reported.

Element to be monitored	Monitoring Methodology	Reporting		
		Presented by	Committee	Frequency
Number, value and status of overpayment cases Age and progress of outstanding balances	Payroll overpayment records and case review Review of recovery schedules and Debtors information	Payroll Manager Payroll Manager / Finance	Relevant Finance / Workforce governance route	Periodic, in line with agreed reporting arrangements
			Relevant Finance governance route	Periodic
Requests for extended repayment arrangements Waiver or non-recovery decisions	Review of approvals and rationale Review of approval and formal reporting record	Payroll / Workforce Director of Finance	Head of HR and Deputy Director of Finance	As required
			Audit and Risk Committee and Scottish Government	As cases arise
Recurring causes and corrective action Number, value and status of overpayment cases	Trend review of recorded causes and manager actions Payroll overpayment records and case review	Payroll / Workforce Payroll Manager	Relevant management group	Periodic
			Relevant Finance / Workforce governance route	Periodic, in line with agreed reporting arrangements

BOARD PUBLIC

Element to be monitored	Monitoring Methodology	Reporting		
		Presented by	Committee	Frequency
Age and progress of outstanding balances Requests for extended repayment arrangements	Review of recovery schedules and Debtors information Review of approvals and rationale	Payroll Manager / Finance Payroll / Workforce	Relevant Finance governance route	Periodic
			Head of HR and Deputy Director of Finance	As required

10 EQUALITY IMPACT ASSESSMENT

- 10.1 An Equality Impact Assessment was completed in June 2025. The assessment identifies that the policy applies to all staff and that personal circumstances, health, wellbeing, accessibility and socio-economic considerations should be taken into account when repayment arrangements are discussed.
- 10.2 The policy must be applied consistently, sensitively and with reasonable adjustments or accessible communication where required. A summary is included at Appendix 3; the signed assessment should be retained with the approved policy record.

11 DATA PROTECTION AND CONFIDENTIALITY IMPACT ASSESSMENT

- 11.1 A separate Data Protection Impact Assessment is recorded as not required. The process nevertheless involves personal and financial information and must be administered in accordance with NHS Dumfries and Galloway information governance requirements.
- 11.2 Access to case information must be limited to authorised staff with a legitimate operational need. Correspondence and records must be stored securely, retained in line with the applicable retention schedule, and disclosed only where there is a lawful and necessary reason.

12. DOCUMENT CONTROL SHEET

12.1 Document Amendment History

Version	Section(s)	Reason for update
2.0	All	Previous approved version; no update recorded
3.0	All	Policy and recovery process reviewed; transferred into the current policy template

12.2 Distribution

Name	Responsibility	Version number
Board Secretary / Policy Register	Maintain the approved policy record	3.0
Communications Team / Intranet	Publish the current approved version and remove superseded copies	3.0
Line managers	Disseminate and apply the policy with staff	3.0
Payroll Services and Workforce	Provide operational advice and support	3.0

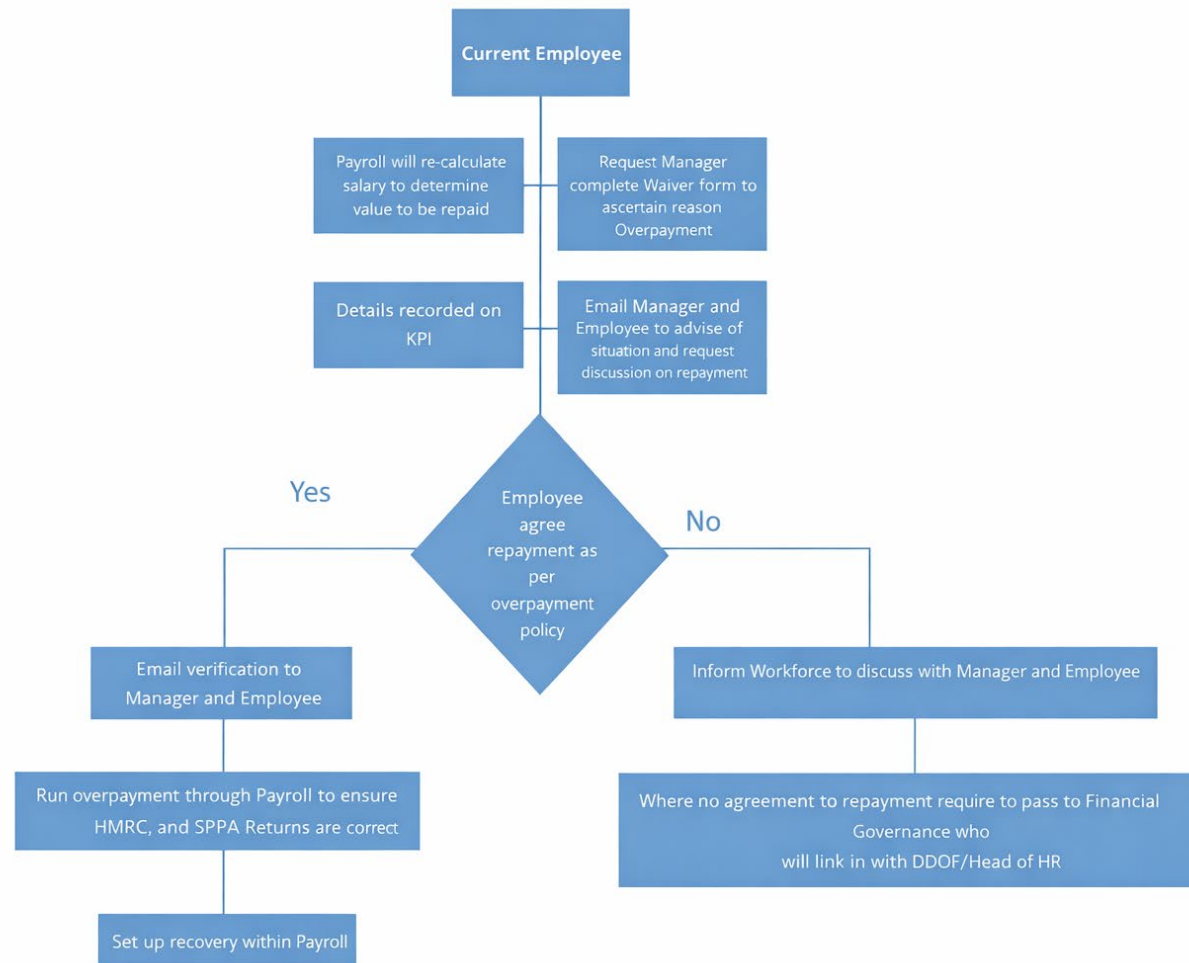
12.3 Associated documents

- Employment Rights Act 1996
- Scottish Public Finance Manual
- NHS Dumfries and Galloway Standing Financial Instructions
- Relevant eESS, SSTS, expenses, payroll, debt recovery and information governance procedures
- Equality Impact Assessment for the Overpayment Policy, June 2025

12.4 Action Plan for Implementation

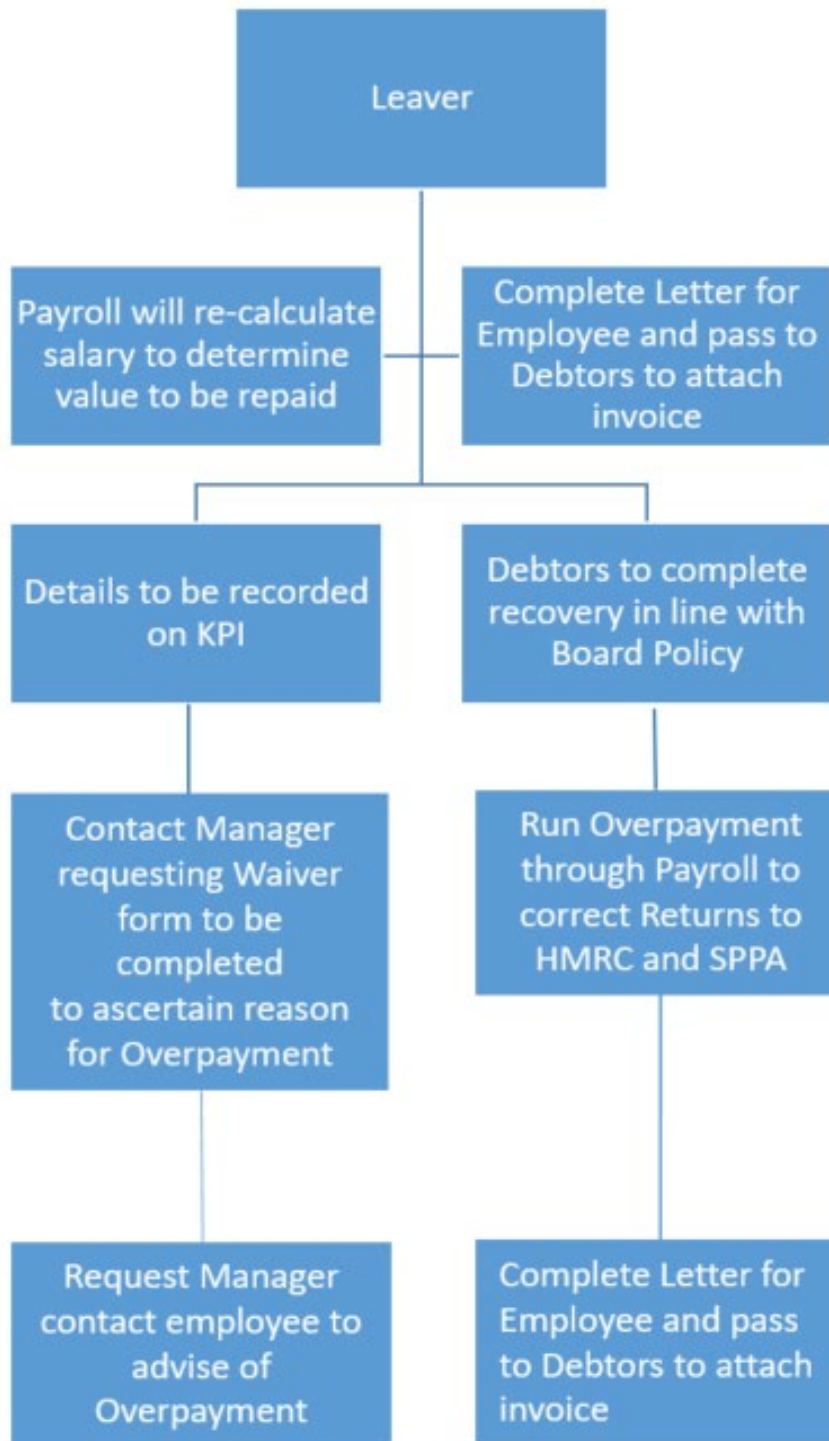
Action	Lead Officer	Timeframe
Place approved policy on the policy register	Board Secretary	Following approval
Publish on the intranet and remove superseded versions	Communications Team	Following approval
Communicate the policy to managers and staff	Relevant managers / senior line managers	Following publication
Apply the policy and maintain case records	Payroll Services, Workforce and managers	Immediate and ongoing
Confirm monitoring route and reporting frequency	Policy owner / Payroll Manager	Following approval

Appendix 1 – Current Employee Process



The diagram should be read alongside Section 6. Where a proposed repayment period exceeds the period over which the overpayment arose, approval is required from the Head of HR and Deputy Director of Finance.

Appendix 2 – Leaver Process



For former employees, Payroll Services calculates the overpayment and provides the information required for recovery through the Debtors process. Any available final salary is applied in accordance with Section 6.

BOARD PUBLIC

Appendix 3 – Equality Impact Assessment Tool

This Tool has been developed to ensure that equalities, human rights, economic, social factors and the Armed Forces Covenant Duty are being considered ahead of the implementation of any new or revised policies, provisions, criteria, functions, practices and activities, including the delivery of services. Please note for the purpose of this document these will be grouped together and simply referred to as ‘**activity**’.

General Information			
Name of activity	Overpayment Policy		
Lead person and job title	Joanne Inglis – Payroll Manager		
Contact Information (telephone and/or email)	Joanne.inglis@nhs.scot	Date of this assessment	June 2025
Names and roles of those involved in the impact assessment process	Craig Greer, Financial Accountant Sandra Thompson, Financial Governance Manager Susan Thompson Deputy Director of Finance Anne Watson, Payroll Manager, NSS		
Describe the activity in no more than 200 words	This policy describes the financial responsibilities in the treatment of overpayment in staff pays, how they will be treated and how they will be recovered		
How will people be affected by this activity?	All staff will be affected by the policy. This is an existing policy which has undergone a recent review		
Who has been involved in the development of this activity and in what capacity?	Shared with HR and Staff Side colleagues.		
Please include any evidence or relevant information that has influenced the overall decision being considered within this impact assessment	Scottish Public Finance Manual provides guidance for Overpayments. Central Legal Office provided legal advice.		
Impact Assessment Questions			
Please complete the table below and outline within the comments sections: - any evidence, relevant information or involvement that has influenced the decision on impact (this may also include demographic profiles, audits, research, health needs assessment, work based on national guidance, findings from engagement and consultation). Prompts are available on page 4 to support discussion around potential impacts. - Mitigating measures that will be taken to ensure that no impact is negative. When assessing the impact on each protected characteristic, you should consider the following aims of the Public Sector Equality Duty: - Does the proposed activity impact on the elimination of discrimination? - Does the proposed activity contribute towards advancing equality of opportunity by removing or minimising disadvantages, meeting the needs of particular groups and encouraging participation in a particular activity? - Does the proposed activity foster good relations between different groups?			

BOARD PUBLIC

Protected Characteristics/Impact Areas	Are there any positive impacts?	Are there any negative impacts?	Rationale for decision and further comments	What measures will be put into place to mitigate any negative impacts?
Age	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics	<i>Consideration will be given to staff who are near retirement age.</i>
Disability	N/A	N/A	Applies equally to all staff and as such in specific impacts – positive or negatively	<i>Payroll Services will collaborate with employee, line manager and Workforce to finalise repayment plan.</i>
Sex	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics	<i>Payroll Services will work with employee, line manager and Workforce to finalise repayment plan.</i>
Gender reassignment and Transgender	N/A	N/A	The policy has been developed in line with our commitment to fairness, inclusion, and equal treatment for all staff.	<i>Payroll will be unaware of reassignment/ Transgender and therefore any repayment will be in line with Policy. Employee will be treated with respect</i>
Marriage and Civil Partnership	N/A	N/A	The policy has been developed in line with our commitment to fairness, inclusion, and equal treatment for all staff.	<i>Employees will be treated in line with Policy and treated with respect</i>
Pregnancy and Maternity	N/A	N/A	This policy relates to all staff, regardless of if on long term leave	<i>Contact will be made sensitively and case by case, ensuring employee health and wellbeing is considered.,</i>
Race	N/A	N/A	The policy has been developed in line with our commitment to fairness, inclusion, and equal treatment for all staff.	<i>Payroll will unaware of Race when contacting employee – overpayment policy process will be followed Policy and will collaborate with Workforce where concerns are raised, or interpreter required.</i>
Religion or belief	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics	<i>Payroll Team will be unaware of Religion or belief and Overpayment Policy will be followed.</i>
Sexual orientation	N/A	N/A	The policy has been developed in line with our commitment to fairness, inclusion, and equal treatment for all staff.	<i>Payroll will unaware of sexual Orientation and therefore any repayment will be in line with Policy</i>

BOARD PUBLIC

Protected Characteristics/Impact Areas	Are there any positive impacts?	Are there any negative impacts?	Rationale for decision and further comments	What measures will be put into place to mitigate any negative impacts?
Carers	N/A	N/A	Applies equally to all staff and as such in specific impacts – positive or negatively	<i>Payroll will follow Repayment as per Policy. Contact will be made sensitively and case by case, ensuring employee health and wellbeing is considered.,</i>
Human Rights	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics	<i>Overpayment Policy will be followed and employee treated with respect</i>
Health, Wellbeing & Health Inequalities	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics National guidance requires reclaim of all overpayments. The reclaim period should no longer than the period over which the error occurred.	<i>Each issue is considered individually and mitigation factors considered to confirm the validity of the overpayment and/or to extend the period of repayment where appropriate. Payroll will collaborate with Workforce to ensure staff wellbeing and encourage staff engagement</i>
Economic & Social Sustainability	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics. National guidance requires reclaim of all overpayments. The reclaim period should no longer than the period over which the error occurred.	<i>Each issue is considered individually and mitigation factors considered to confirm the validity of the overpayment and/or to extend the period of repayment where appropriate. Team will work with Workforce to ensure repayment discussions are undertaken sensitively and encourage staff engagement</i>
Staff	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics. National guidance requires reclaim of all overpayments. The reclaim period should no longer than the period over which the error occurred.	<i>Each issue is considered individually and mitigation factors considered to confirm the validity of the overpayment and/or to extend the period of repayment where appropriate.</i>

BOARD PUBLIC

Protected Characteristics/Impact Areas	Are there any positive impacts?	Are there any negative impacts?	Rationale for decision and further comments	What measures will be put into place to mitigate any negative impacts?
Environmental	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics	<i>Overpayment Policy will be followed and employee treated with respect</i>
Armed Forces Personnel and Veterans	N/A	N/A	This policy relates to all staff and so there are no specific impacts that affect any of the protected characteristics	<i>Overpayment Policy will be followed and employee treated with respect</i>

BOARD PUBLIC

Where any potentially negative impacts are identified on page 2, the mitigating/follow up actions must be fully documented in the table.		
Does the activity have the possibility to support or detract from our efforts to promote the inclusion of people from under-represented groups?	No, this is a standard policy which applies to all. Employee's personal concerns and characteristics, where known, will be considered during discussions to repay.	
Does this activity require consideration of the Fairer Scotland Duty ? If yes, please outline the steps taken to meet the needs of the duty.	<i>Where Overpayment occurs consideration will be given to individual situation</i>	
Please indicate how are you ensuring the information about the activity and around the proposed changes is accessible in terms of communication in the following formats, where relevant:	Easy Read	
	British Sign Language	
	Alternative Languages	
	Large Print	
	Other (please specify)	
How will you monitor the ongoing impact of the activity on protected characteristic groups?	This is a standard policy which applies to all.	
Please outline next steps	<i>Involvement with Stakeholders and wider communication</i>	

When complete, the lead person should send a copy of the Impact Assessment Tool to the Equality and Diversity Lead by emailing it to dq.cbsteam@nhs.scot. The impact assessment will then be published on the NHS Dumfries and Galloway public website at www.nhsdg.co.uk

Please note that this is a legal document stating that you have fully considered the impact on the protected characteristics and is open to scrutiny by service users/external partners/Equality and Human Rights Commission.