

Salary Overpayment Recovery Guidelines

Last revised: August 2021
Last reviewed: December 2021
Next review: December 2022

Salary overpayments include all payments that exceed the earnings an employee is entitled to receive based on hours worked and/or entitlements earned (sick leave, vacation leave, etc.).

Responsibility for Control of Public Money

The Financial Administration Manual 3500 – control of Public Money states:

The objectives for the control over public money are to ensure that:

- *All public money is properly recorded and safeguarded;*
- *Instances of fraud, error and omission are identified; and*
- *Money to which the Government is entitled is claimed and collected.*

The Ministry of Labour Relations and Workplace Safety outlines the employer's ability to recover overpayments.

The Roles and Responsibilities: A Guide to Employment Standards in Saskatchewan states:

Employers can recover wage overpayments from an employee's wages if:

- The overpayment was a result of an honest mistake, such as a clerical error
- The mistake is caught in a timely manner
- The error is dealt with quickly with deductions occurring in the following pay period

Claiming Financial Hardship

SGEU Article 14.1.7 indicates that a repayment plan will be negotiated. If an employee claims that due to financial hardship the overpayment cannot be collected in the timelines set out in this guideline, the HRSC can extend the overpayment recovery period to the maximum extension outlined in the chart below. Ministry Corporate Services and PSC Manager, Payroll Services approval is required for any further extensions (Overpayment Repayment Plan Approval Request Form to be completed).

CUPE article 22.03c)iv indicates an agreement for repayment must be between the employer, employee and the designated union representative. The HRSC can extend the overpayment recovery period to the maximum extension outlined in the chart below. Ministry Corporate Services and PSC Manager, Payroll Services approval is required for any further extensions (Overpayment Repayment Plan Approval Request Form to be completed).

Employee Status - Active

Repayment amounts and payment structure must be reasonable relative to the amount owing and length of overpayment period. For example:

- a. If an overpayment occurs in one pay period and is discovered in the current or next pay period, the full amount of the overpayment will be collected in the subsequent pay period. The employee must be notified of the error and recovery. If the overpayment and recovery is related to changes on the timecard and the timecard change is not being generated by the employee notification would be provided by the delegate or Manager initiating the change. For other payroll related adjustments not being generated through timecard entry notification will be provided from the HRSC.

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- b. If an overpayment occurs over a number of pay periods, repayment should be made over the same number of pay periods, but the term of repayment may be extended upon Ministry Corporate Services and PSC Manager, Payroll Services and negotiations in regard to financial hardship considerations.

Employee Status- Definite Leave of Absence (DLOA)

Employees that are on a DLOA are considered active employees and as a result the same requirements above would apply. However, because the individual would not be receiving payments it would be necessary to have them send the repayment to the employer (payment by cheque or money order payable to the Minister of Finance).

Should the employee not submit the repayment, payroll deductions should start immediately upon return to work (or from any payments owing).

Collection of overpayments upon DLOA does not include Paid Time Off (PTO) entitlements such as vacation leave or sick leave. Although PTO entitlements are pro-rated upon DLOA, any negative balances would not be considered an overpayment unless the employee does not return to work before starting an Indefinite Leave of Absence (IDLOA). Notification is provided from the HRSC that would inform the individual of the negative balance and state that should they not return to work, the amount would be owing at that time.

Employee Status – Indefinite Leave of Absence (IDLOA)

All monies owing to the Government must be collected from the last pay. Pay may be deferred up to 14 days from the date of termination to ensure that the payment is correct, and all outstanding overpayments have been collected. In some instances where it is necessary to withhold payments pending an accounting and settlement of any monies owing to the Government payment may be deferred further.

If the full amount is not collected from the last pay, up to two letters would be sent from the HRSC requesting payment. After the second letter, action would be taken through the Ministry Corporate Services area and may include use of a collection agency to recover amounts owing. If all other attempts to collect the overpayment in full are not successful, the amount owing would be collected should they return to work with the Government of Saskatchewan.

Employee Status – Terminated

All monies owing to the Government must be collected from the last pay. Pay may be deferred up to 14 days from the date of termination to ensure that the payment is correct, and all outstanding overpayments have been collected. In some instances where it is necessary to withhold payments pending an accounting and settlement of any monies owing to the Government payment may be deferred further.

If the full amount is not collected from the last pay, up to two letters would be sent from the HRSC requesting payment. After the second letter, action would be taken through the Ministry Corporate Services area and may include use of a collection agency to recover amounts owing. If all other attempts to collect the overpayment in full are not successful, the amount owing would be collected should they return to work with the Government of Saskatchewan

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Repayment Plans

Repayment plans would typically apply to active employees only (employees with a status of Active or Definite Leave of Absence) and are to be collected within the term identified. Repayment should be made over the same number of pay periods that the overpayment occurred or sooner. The requirements of the collective agreements are to be met and are stated earlier in this document. The *Overpayment Repayment Plan Approval Request Form* should be completed in situations where a repayment plan is applicable.

For an employee that is not currently an active employee (would include employee status of Indefinite Leave of Absence or Terminated) a repayment plan is not required but may be agreed upon as long as it meets the criteria.

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Please see the chart below for Guideline examples:

Overpayment Type	Recovery Requirements	Maximum Repayment*
Any Payroll Payments that the employee is not entitled to (Active Employee)	Recover over same period that the overpayment occurred.	Double the period that the overpayment occurred in.
Late Definite Leave of Absence-Overpayment of Regular Salary	Recover over same period that the overpayment occurred.	Double the period that the overpayment occurred in.
Late Termination - Overpayment of Regular Salary	Amounts owing are due immediately	Maximum repayment period is by December 1 of the calendar year that the overpayment occurred in OR 3 months (whichever is greater).
PTO Entitlements (VL, SL, SDO, TL) Overdrawn upon commencement of an IDLOA or End Employment	All overdrawn entitlements are to be collected from the employee's last pay. If unable to make full recovery amount remaining is owing immediately.	Maximum repayment period is by December 1 of the calendar year that the employee commenced IDLOA or Ended Employment OR 3 months (whichever is greater).
Return Service Commitment not met - Maternity/Paternity/Adoption Leave Top-Up	Amounts owing are due immediately	Maximum repayment period is by December 1 of the calendar year that the employee did not complete the return service commitment OR 3 months (whichever is greater).
Other Return Service Commitment Not Met	Amounts owing are due immediately	Maximum repayment period is by December 1 of the calendar year that the employee did not complete the return service commitment OR 3 months (whichever is greater).
Any amounts owing to the Government upon commencement of an IDLOA or End Employment	To be collected in full from final pay. If unable to make full recovery amount remaining is owing immediately.	If not able to collect due to not enough pay, maximum repayment period is by December 1 of the calendar year that the overpayment occurred in OR 3 months (whichever is greater).
* Note: What is listed is the guideline maximum repayment period allowed. A repayment period can be negotiated up to the maximum, or beyond where agreed due to financial hardship		

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The following situations would not warrant a repayment plan:

- Leave Without Pay, being deducted for time not worked, is not an overpayment situation and should be collected in full the pay period after the leave without pay is taken.
- A recovery of a salary advance is also not considered an overpayment recovery. An advance is to be collected in full when the payroll payment is being processed.

Financial Handling

When an overpayment identified an accounts receivable record is to be established. The accounts receivable would usually be set up by the Ministry Corporate Services area with the exception of when repayment has been received by cheque and is being processed by PSC Payroll Services. Should you have any questions please email Payroll Services at HRSC HRSC@gov.sk.ca. Please be sure to indicate “MIN(OPS)” at the beginning of the subject line of your email.

For Further Information:

If you have any questions about salary overpayments, please contact the Human Resource Service Centre (HRSC) with questions regarding salary overpayments.

Human Resource Service Centre (HRSC) Contact Information

Hours of Operation:	8:00 a.m. to 5:00 p.m. Monday to Friday (excluding Stat Holidays)
Phone:	1-877-852-5808 306-798-0000 (in Regina)
Email:	HRSC@gov.sk.ca
Fax:	1-877-852-9219 306-798-9966 (in Regina)

Questions specific to these guidelines can be directed to the Payroll Services at HRSC HRSC@gov.sk.ca. Please be sure to indicate “MIN(OPS)” at the beginning of the subject line of your email.