

SALARY OVERPAYMENT PROCEDURE

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1 PURPOSE

- 1.1 Overpayment of salary can occur for a number of reasons, the most common being late advice to the Payroll Operations Team regarding employee resignations, leave without pay details, duplicate timesheet claims for the same time period, and incorrect data entry.
- 1.2 This procedure addresses the issues of overpayments in relation to employee salaries and other payroll related payments and outlines how such overpayments will be managed and recovered. This does not, however, preclude the University's legal right to pursue the recovery of any outstanding monies owed.

2 SCOPE

- 2.1 This procedure applies to CQUniversity employee salaries and other payroll related payments, including one-off or cumulative overpayments.

3 PROCEDURE

Overpayment notice

- 3.1 Prior to instigating the recovery of any monies owed, the University will contact the employee by telephone or email, informing them of an overpayment, after which the employee will receive official notification. This will include the following information:
 - the cause of the overpayment and pay period/s to which it relates
 - the amount
 - the repayment options, including the date, dates or period during which the University will make the proposed deductions, and
 - options available to the University in pursuing outstanding debts.

- 3.2 Where an amount can be fully deducted from the next pay period, written advice to the employee and subsequent acceptance will be in the form of email.
- 3.3 If the employee fails to contact the Payroll Operations Team within 14 days of the Overpayment Notice being issued, the University will issue a Reminder Notice or take all appropriate action to make contact.

Tax implications

- 3.4 Monies recovered within the same financial year are repaid as a nett amount. As required by the [Australian Taxation Office](#) (ATO), repayments relating to the previous financial years will be recovered as a gross amount and inclusive of pay as you go (PAYG) tax.

Superannuation implications

- 3.5 Any overpayment of superannuation contributions will be dealt with in accordance with the policies and procedures of the relevant superannuation fund.

Method and rate of repayment

- 3.6 The University will take fair and reasonable measures to recoup overpayments within an appropriate reasonable period of time. The repayment method and rate at which the overpayment will be recovered will be undertaken in consultation with the employee, and only in accordance with the employee's written authorisation. Depending upon the circumstances and the amount owed, employees can elect to repay the overpayment:
- as a fortnightly payroll deduction
 - by regular instalments or a single one-off payment to the University Bank Account, or
 - as a correction in the next available pay.
- 3.7 Funds can be paid to the University by way of salary deduction, electronic funds transfer, cheque or credit card payment.
- 3.8 Normally, one-off overpayments will be recovered by the University in the pay period immediately after which the overpayment is discovered if the employee is receiving a fortnightly salary.
- 3.9 If no arrangement is made within two pay periods from the Overpayment Notice, the debt will be referred to the Debtors Team within the Financial Directorate to arrange recovery of funds.

Contesting

- 3.10 An employee should immediately contact the Payroll Operations Team with any overpayment queries. The Payroll Operations Team will examine the overpayment in direct consultation with the employee and attempt to resolve the matter at a local level.
- 3.11 If the employee still wishes to contest/challenge the overpayment, they must notify the Director People and Culture in writing (PACDirector@cqu.edu.au) within seven days of receiving the Overpayment Notice.

Non recovery

- 3.12 If an employee does not agree to, or enter into an arrangement to repay outstanding monies, they may raise their concerns using the grievance resolution procedures contained in the [Central Queensland University Enterprise Agreement 2017](#).

- 3.13 Where an overpayment remains outstanding at the date of termination or resignation of the employee, the University may:
- with written advice from the employee, deduct the overpayment from any salary or monies that would otherwise be payable to the employee on termination, or
 - where the overpayment amount is more than the termination payment, the University will raise an invoice for the remainder. The Financial Accounting and Operations Unit will commence debt recovery proceedings as per the [Collections Policy and Procedure \(FMPM\)](#). By leaving the employ of the University without repaying any outstanding monies, the employee authorises the disclosure of their personal address and other personal information to enable the recovery of the debt or overpayment.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The University has an obligation and legal entitlement to recover all debts and will take appropriate measure to do so. The University will attempt to recover all overpayments in a fair, reasonable and timely manner. There is a shared responsibility on the part of the employee, the relevant business area, the People and Culture Directorate, and the University to resolve the issue and recoup the overpayment.
- 4.2 The Director People and Culture is responsible for implementing, monitoring, reviewing and ensuring compliance with this procedure.

Reporting

- 4.3 No additional reporting is required.

Records management

- 4.4 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.5 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

Terms and definitions

Debt recovery: the process initiated by the University to reclaim monies owed to the University. When deemed appropriate, the University may employ the services of a debt recovery agency and may pursue legal action to recoup any outstanding debts.

Overpayment: a payment made to an employee by the Payroll Operations Team in error and to which the employee has no entitlement.

6 RELATED LEGISLATION AND DOCUMENTS

[Central Queensland University Enterprise Agreement 2017](#)

[Code of Conduct](#)

[Collections Policy and Procedure \(FMPM\)](#)

[Fraud Prevention Policy](#)

7 FEEDBACK

7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
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Administrator	Director People and Culture.
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