1 PURPOSE

1.1 Overpayment of salary can occur for a number of reasons, the most common being late advice to the Payroll Team regarding employee resignations and leave without pay details, as well as claims for payment being submitted more than once for the same time period and incorrect data entry.

1.2 This procedure addresses the issues of overpayments in relation to CQUniversity 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 may be in the form of email.

3.3 If the employee fails to contact the Payroll Team with 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 a reasonable period of time. The 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:

• by instalment, or
• a single payment in full.

3.7 The funds can be paid to the University by way of salary deduction, electronic funds transfer 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.

3.9 If no arrangement is made within two pay periods from the Overpayment Notice, the employee authorises the University to deduct the debt through salary deduction:

• in full in the next available pay period in instances where the debt is up to 10% of the total salary instalment payable, or
• in instalments equivalent to 10% of the total salary instalments, from the next available pay period, until the debt is repaid.

Contesting

3.10 An employee should immediately contact the Payroll Team with any overpayment queries. The Payroll 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 are required to notify the University in writing 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:
• deduct the overpayment from any salary or monies that would otherwise be payable to the employee on termination

• where the overpayment amount is more than the termination payment, the University will raise an invoice for the remainder. The Finance and Planning Division 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 and reasonable manner. There is a shared responsibility on the part of the employee, the relevant department, 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 monitoring, reviewing and ensuring compliance with this procedure.

Reporting

4.3 No additional reporting is required.

Records management

4.4 Staff must maintain all records relevant to administering this procedure in a recognised University recordkeeping system.

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 in error and to which the employee has no entitlement. This payment is above the agreed salary and entitlement.

6 RELATED LEGISLATION AND DOCUMENTS

Central Queensland University Enterprise Agreement 2017

Collections Policy and Procedure (FMPM)

7 FEEDBACK

7.1 University staff and students may provide feedback about this document by emailing policy@cqu.edu.au.
**APPROVAL AND REVIEW DETAILS**

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