

Repayments

The How's of Repayments

- How overpayments happen?
- How do we find out about overpayments?
- How do we calculate the amount overpaid?
- How do we inform the employee?
- How do we collect overpaid funds?
- How do we integrate the repayment back into the W-2?

How overpayments happen?

- Most overpayments come out of disability.
 - STD
 - LTD
 - W/C
- Many are for time reported but not worked.
- Step increase given too soon.
- Some are for online warrants requested for leave when employee is out of balances.

How do we find out about overpayments?

- Many come in from the Departments.
- Often we find them ourselves since we are integrating leave with disability payments.
- Once in a while, the employee will self report.

How do we find out about overpayments?

- When department finds an overpayment (Scenario 1):

ACO Payroll Division
Payroll Adjustment Request

ACO AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

DATE: 05/05/14
PAY PERIOD ERROR OCCURED: 10/14 - 5/14 *de*
(The Pay Period For Which)

EMPLOYEE NAME: [Redacted] EMPLOYEE ID: [Redacted]
DEPARTMENT: [Redacted] DEPT REP PHONE: [Redacted]

REQUESTED BY: [Redacted] Page 1 of 2 (Include attachments on page 1 only)
SIGNATURE: [Redacted]

REASON FOR ADJUSTMENT: EMPLOYEE UNDER PAID (Specify below) EMPLOYEE OVER PAID (Specify below) OTHER (Specify below) If Online Warrant is Processed it Should Be Picked-Up by EE Mail to EE

For TAP employees - Department ID to be changed (must be at least 6 digits, Ex: 9199) 4300181400 Employee phone: _____

Adjustment/Explanation:
Late time sheet revised time sheet. Repayment agreement needed.

DATE	PAY WEEK	TRCPAYCODE	ACTUAL PAY RECEIVED		SHOULD HAVE RECEIVED		DIFFERENCE OWED	
			HOURS	DOLLARS	HOURS	DOLLARS	HOURS	DOLLARS
05/05/14 - 05/05/14	1	REG	12		0			(12)
05/05/14 - 05/05/14	1	Z53	4		.0			(4)
05/05/14 - 05/05/14	1	Z54	8		0			(8)
05/05/14 - 05/05/14	1	Z37	12		0			(12)

Request Prepared by _____ Date _____ For Pay Period _____
Adjustment to be processed by _____ Online Warrant _____ Payline Adj _____ Refer for Processing Department Notified on _____
Notes: _____ Logged by _____ Log number: _____
Adjustment Referred for Processing (Mark All That Apply)
CallPers _____ HR _____ Dept _____ Recon _____ Reserv _____ Referred by _____ Date _____

14 PREPARED BY: [Redacted]
ADJUSTMENT
PAYROLL

How do we calculate an overpayment?

- First we look at what was paid.
- Next we look at when it was paid.
 - Payments made in the current year – need to collect the net.
 - Payments made in a previous year – need to collect the gross.

How do we calculate an overpayment?

- Payments made in a previous year – need to collect the gross.

This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.

7 Social security tips	1 Wages, tips, other compensation 23231.89	2 Federal income tax withheld 1758.38			
8 Allocated tips	3 Social security wages 24898.27	4 Social security tax withheld 1543.69			
9	5 Medicare wages and tips 24898.27	6 Medicare tax withheld 361.03			
10 Dependent care benefits	11 Nonqualified plans	12a See instructions for box 12 J 3494.77			
13 <table style="display: inline-table; border: none; vertical-align: middle;"><tr><td style="font-size: x-small; padding-right: 5px;">Retirement plan</td><td style="text-align: center; padding: 0 5px;">X</td><td style="font-size: x-small; padding-left: 5px;">Tired only and pay</td></tr></table>	Retirement plan	X	Tired only and pay	14 Other	12b L 341.92
Retirement plan	X	Tired only and pay			
d Employer identification number (EIN) 95-6000930	12c DD 5761.20				
e Employer's social security number	12d				

How do we calculate an overpayment?

Paycheck Earnings | Paycheck Taxes | Paycheck Deductions

Empl ID: [REDACTED] Name: [REDACTED]
 Company: COR Pay Group: CR1 Pay Period End: 03/19/2014 Page: 123 Line: 11 Separate Check:

Paycheck Information		Paycheck Totals	
Paycheck Status: Confirmed	Paycheck Option: Advice	Earnings: 512.00	
Issue Date: 04/02/2014	Paycheck Number: 5741752	Taxes: 50.92	
<input type="checkbox"/> Off Cycle <input type="checkbox"/> Reprint <input type="checkbox"/> Adjustment <input type="checkbox"/> Corrected <input type="checkbox"/> Cashed		Deductions: 19.20	
		Net Pay: 441.88	

Earnings Find | View All First **1** of 1 Last

Begin Date: 03/13/2014 End Date: 03/19/2014 Add Line #: 2 Reason: Not Specified

[Additional Data](#)

Salaried	Hourly	Overtime
Hours: 0.00	Hours: 0.00	Hours: 0.00
Rate: 38.000000	Rate: 0.000000	Rate: 0.000000
Earnings: 0.00	Earnings: 0.00	Earnings: 0.00
	Rate Code:	Rate Code:

Rate Used: Hourly Rate Shift: N/A Shift Rate:
 State: CA Locality:

Other Earnings Personalize | Find | View All First **1** of 3 Last

Other Earnings Details 1		Other Earnings Details 2		Code	Description	Rate Used	Hours	Rate	Amount
REG	Regular	Hourly Rate					12.00	38.000000	456.00
Z53	\$4.00/hr Evening Shift Differ	Hourly Rate					4.00	4.000000	16.00
Z54	5.00/hr Night Shift Diff	Hourly Rate					8.00	5.000000	40.00

How do we calculate an overpayment?

- Employee contacted us, on CFRA, doesn't want to use leave, Scenario 2:

Paycheck Summary

Summary Information

Empl ID: [redacted] Name: [redacted]
Company: COR Pay Group: CR1 Pay Period End: 11/11/2015 Page: 1900 Line: 1 Separate Check:

Paycheck Information		Paycheck Totals
Paycheck Status: Confirmed	Paycheck Option: Advice	Earnings: 1,228.45
Issue Date: 11/25/2015	Paycheck Number: 6592218	Taxes: 136.20
<input type="checkbox"/> Off Cycle	<input type="checkbox"/> Reprint	Deductions: 359.81
<input type="checkbox"/> Adjustment	<input type="checkbox"/> Corrected	Net Pay: 730.44
<input type="checkbox"/> Cashed		

▼ Earnings [Find](#) | [View All](#) [First](#) [1 of 4](#) [Last](#)

Begin Date: 10/29/2015 End Date: 11/04/2015 Addl Line #: 4 Reason: Not Specified [Additional Data](#)

Salaried	Hourly	Overtime
Hours: 0.00	Hours: 0.00	Hours: 0.00
Rate: 14.356500	Rate: 0.000000	Rate: 0.000000
Earnings: 0.00	Earnings: 0.00	Earnings: 0.00
Rate Code:	Rate Code:	Rate Code:

Rate Used: Hourly Rate Shift: N/A Shift Rate:
State: CA Locality:

Codes	Description	Rate Code	Rate Used	Hours	Rate	Amount
AWP	Absent Without Pay		Hrly Rt.	2.40		
HLU	Holiday Used		Hrly Rt.	9.00	14.356500	129.21
VAC	Vacation		Hrly Rt.	32.00	14.356500	468.02

How do we inform the employee?

- A letter is written to the employee detailing the reason and the amount of the overpayment.
- Since the money belongs to the departments, we tell the amount to the dept. and request they send the letter.
- Often we write the letter.
- California State Law requires the employee acknowledge the debt.

How do we inform the employee?

- Sample letter:



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER
County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

ACO AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
AUDITOR-CONTROLLER
Frankie Ezzat, MPA
Assistant AUDITOR-CONTROLLER

November 30, 2015



RE: Overpayment of wages

Dear [REDACTED]

On the paycheck dated 11/11/2015 you were paid leave hours while on CFRA that you did not want to use. It is your right to not use these leave balances, however, we will need to recover the money paid to you in order to restore your leave. The amount of the overpaid a net amount of by \$441.15 (Gross of \$597.23).

We understand that this may be an inconvenience for you; however the County must collect the amount of \$441.15 from you. In order to restore your leave balances. Please select your payment option, sign below, and return this letter to Tracey Corso no later than December 3, 2015. We appreciate your cooperation in this matter.

Payment Options:

Option 1: () Make one (1) payment of \$441.15 by personal check by December 3, 2015.

Option 2: () Make one (2) payments of \$220.58 through payroll deductions starting on December 11, 2015.

Please sign below your acknowledgement and return to ACO Payroll by December 3, 2015.

ACKNOWLEDGEMENT:

Full repayment must be complete by December 31, 2015. If you do not repay the net amount by this date, the amount due will be included in your 2015 W2.

[REDACTED] EE ID Num [REDACTED] Date

If you have any questions, I can be reached at (951) 955-3810 or via email at ACO_payroll@co.riverside.ca.us.

Sincerely,

Tracey Corso
Accounting Supervisor
Payroll Division
Riverside County Auditor-Controller
Tel: 951-955-3810/Fax: 951-955-3814

How do we collect the overpaid funds?

- Payments out of their warrants.
 - Normally we say double the overpayment pay periods.
 - If a hardship we work with them, as long as paid by the end of the calendar year.
- Personal checks.
 - Made out to the Auditor-Controller.

How do we integrate the overpayment back into the W-2?

- Manual Check Process allows us to have a negative gross and net check:

Paycheck Summary

Summary Information

Empl ID: [redacted] Name [redacted]
Company: COR Pay Group: CR1 Pay Period End: 12/30/2015 Page: 9000 Line: 10 Separate Check:

Paycheck Information

Paycheck Status: Confirmed Paycheck Option: Manual
Issue Date: 12/26/2015 Paycheck Number: 9999
 Off Cycle Reprint Adjustment Corrected Cashed

Paycheck Totals

Earnings: -597.23
Taxes: -108.30
Deductions: -47.78
Net Pay: -441.15

Earnings

Begin Date: 10/29/2015 End Date: 11/11/2015 Add Line #: Reason: Not Specified

Additional Data

Salaried			Hourly			Overtime		
Hours:	0.00		Hours:	0.00		Hours:	0.00	
Rate:	14.356500		Rate:	0.000000		Rate:	0.000000	
Earnings:	0.00		Earnings:	0.00		Earnings:	0.00	
			Rate Code:			Rate Code:		

Rate Used: Hourly Rate Shift: N/A Shift Rate:
State: CA Locality:

Other Earnings

Code	Description	Rate Code	Rate Used	Hours	Rate	Amount
HLU	Holiday Used		Hrly Rt.	-9.00	14.356500	-129.21
VAC	Vacation		Hrly Rt.	-32.60	14.356500	-468.02

How do we integrate the overpayment back into the W-2?

▼ Deductions				
Code	Description	Class	Amount	Calculated Base
MISC	Miscellaneous Retirement	Before-Tax	-47.78	
C70004	PERS Coverage Code CO 70004	Nontaxable	-54.46	
MSCDBT	Retirement Debt Fund	Nontaxable	-15.58	
MSCDMF	Retirement DMF Fund	Nontaxable	-1.41	
MSCFXD	Retirement Fixed Fund	Nontaxable	-0.07	
MSCPOB	Miscellaneous Pre-Pay CalPERS	Nontaxable	-37.69	
OPEB	Other Post Employment Benefits	Nontaxable	-0.48	

How do we integrate the overpayment back into the W-2?

Taxes								Personalize	Find		
Tax Entity	State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount	PA E	PSD		
US Federal					Withholdng	-549.45	-57.76				
US Federal					OASDI/ER	-597.23	-37.03				
US Federal					OASDI/EE	-597.23	-37.03				
US Federal					Med/ER	-597.23	-8.66				
US Federal					MED/EE	-597.23	-8.65				
State	CA	Y			Withholdng	-549.45	-4.86				

How do we integrate the overpayment back into the W-2?

- Leave balances:
 - Sick CO022016 worked 80 (less 41.6 hour) X .05 = 1.92 Earned.

Leave Accrual Bal by Pay Per

ID: [REDACTED]

THIS IS THE ACCRUAL BALANCE AS OF CHECK ISSUE DATE: 01/20/2016

Run ID: CO022016 Pay Bgn Dt: 12/24/2015 Pay Period End: 01/06/2016 Accrual Date: 01/06/2016

Plan Type	Description	Prev Bal	+ Earned	- Used/Sold	+/- Adjust	Curr Bal
1 50	Sick	8.01	1.92			9.93
2 51	Vacation	6.60	2.22	-19.00		27.81
3 52	PTO					
4 5B	Holiday			-9.00	8.00	17.00
5 5C	CompLvReg					
6 5D	CompLvMgt					
7 5E	Annual Lv					
8 5G	XtraVacLv					

Save Return to Search Previous in List Next in List Notify

How do we integrate the overpayment back into the W-2?

- Leave balances:
 - So why -19: Manual check -32.6 + used 13.6 = 19 hours.

Leave Accrual Bal by Pay Per

ID: [REDACTED]

THIS IS THE ACCRUAL BALANCE AS OF CHECK ISSUE DATE: 01/20/2016

Run ID: CO022016 Pay Bgn Dt: 12/24/2015 Pay Period End: 01/06/2016 Accrual Date: 01/06/2016

Plan Type	Description	Prev Bal	+ Earned	- Used/Sold	+/- Adjust	Curr Bal
1 50	Sick	8.01	1.92			9.93
2 51	Vacation	6.60	2.22	-19.00		27.81
3 52	PTO					
4 5B	Holiday			-9.00	8.00	17.00
5 5C	CompLvReg					
6 5D	CompLvMgt					
7 5E	Annual Lv					
8 5G	XtraVacLv					

Save Return to Search Previous in List Next in List Notify

Questions

