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):
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.
How do we calculate an overpayment?
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• Employee contacted us, on CFRA, doesn’t want to use leave, Scenario 2:
How do we calculate an overpayment?

• Scenario 2 (cont.)
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:

November 30, 2015

Re: Overpayment of Wages

Dear [Employee's Name],

On the paycheck dated 11/11/15, you were paid leave hours while on CFRA that you did not wish to use. It is your right to use those leave hours; however, we will need to recover the money paid to you in order to restore your leave balance.

The amount of the overpaid net amount is $441.15 (gross of $537.23).

We understand that this may be an inconvenience to you; however, the County must adjust the amount of $441.15 from your remaining leave balance. Please select your payment option, sign below, and return the letter to Timekeeping 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 two (2) payments of $220.58 through payroll deductions starting on December 11, 2015.

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

[Signature]
[Employee's Name]

ACKNOWLEDGEMENT

Full payment must be received 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.

If you have any questions, please call (951) 955-3886 or via email at ACO_payroll@co.riverside.ca.us.

Sincerely,

[Employee's Name]

[Title]

Accounting Supervisor
Payroll/Disbursement
Riverside County Auditor-Controller
Tel: 951-955-2650/Fax: 951-955-2654
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:
How do we integrate the overpayment back into the W-2?
How do we integrate the overpayment back into the W-2?

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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.
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.
Questions