



POLICY AND PROCEDURE

SUBJECT:

OVERPAYMENT AND UNDERPAYMENT OF WAGES

EFFECTIVE DATE: MARCH 7, 2022

NUMBER: HR 22-03

1.0 PURPOSE

This policy establishes the process and procedures for identifying and resolving overpayments and underpayments of wages to employees of the City of Riviera Beach (the "City") and establishes the responsibilities for employees and departments regarding the overpayment and underpayment of wages.

2.0 APPLICABILITY AND ENFORCEABILITY

- 2.1 This policy shall apply to all employees: City, Utility Special District (USD) and Community Redevelopment Agency (CRA).
- 2.2 The failure to comply with the terms of this policy shall lead to disciplinary action, up to and including termination.

3.0 POLICY STATEMENT

From time to time, paycheck adjustment or remediation is required due to error and other unforeseen circumstances. The City takes reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled paydays. Employees are responsible to review their payment advices immediately to confirm that earnings and deductions are correct and that appropriate compensation has been received. Employees, Supervisors, and Department Directors each have a responsibility to prevent and report any overpayment or underpayment of wages immediately, regardless of who made an error, in order to ensure the proper and accurate accounting of City funds.

A. *Underpayment of Wages.* When an employee receives an underpayment of wages, the City will pay the employee or the former employee, the amount due, in accordance with the provisions of this policy and the law

B. *Overpayment of Wages.* When an employee receives an overpayment of wages, the City will reclaim the overpayment amount from the employee in accordance with this policy and the law. The Wage and Hour Division of the United States Department of Labor, the federal office responsible for enforcing the Fair Labor Standards Act (the FLSA), views overpayments to employees as a loan of future wages or an advance of wages. Thus, when an overpayment of wages occurs, the overpayment will be regarded as an advance of future wages payable and will be deducted in whole or in part from the next available paycheck(s) until the overpayment has been fully repaid. In the event

that the employee is no longer employed with the City, the City will pursue the recovery of the outstanding amount through the Finance Department and may use a third-party debt collection service to recover the remaining amount owed to the City.

C. *Correction of W-2.* The City shall take steps to correct an employee's W-2 form, if necessary.

4.0 PROCEDURE

Responsibilities. The Finance Department is responsible for making timely and accurate payments to employees subject to the information provided by City departments and employees. On occasion, due to errors in processing, timeliness of submission, and reporting, employees may be paid more or less than is owed.

Employees are responsible for reviewing their pay stubs to confirm that earnings and deductions are correct and that appropriate compensation has been received. When an employee becomes aware of an overpayment or underpayment, the employee is responsible for reporting it directly to the Finance Department and to the employee's Department Director.

A Department Director who becomes aware of an overpayment or underpayment must report it to the Finance Department as soon as the error is discovered.

4.1 Responsibilities

4.1.1 The Finance Department is responsible for making timely and accurate payments to employees subject to the information provided by City departments and employees. On occasion, due to errors in processing, timeliness of submission, and reporting, employees may be paid more or less than is owed.

4.1.2 Employees are responsible for reviewing their pay stubs to confirm that earnings and deductions are correct and that appropriate compensation has been received. When an employee becomes aware of an overpayment or underpayment, the employee is responsible for reporting it directly to the Finance Department and to the employee's Department Director.

4.1.3 A Department Director who becomes aware of an overpayment or underpayment must report it to the Finance Department as soon as the error is discovered.

4.2 Administrative Process

4.2.1 When an error is reported, Finance and Human Resources Departments will:

4.2.1.1 Confirm the overpayment or underpayment of wages

4.2.1.2 Calculate the overpayment or underpayment amount.

4.2.1.3 Reconcile the overpayment or underpayment amount. Notify the employee of the overpayment or underpayment amount.

4.3.4 Employees are required to repay all overpayment amounts in full, regardless of how or why the overpayment occurred within an agreed term not to exceed three (3) years.

4.3.5 Department Directors or designees may not make any payment arrangements or collect any funds from employees.

4.4 Underpayment of Wages

4.4.1 In the event of underpayment of wages, such amount shall be paid in the next payroll following the notification of the underpayment of wages. In the event that the payment will not be made in the payroll immediately following the notification of the underpayment of wages, the employee will be notified and advised when the payment will be made to the employee.

5.0 APPLICATION WITH OTHER LAWS AND CITY AND CRA POLICIES

This policy shall be applied consistently with the provisions of the Americans with Disabilities Act (ADA).

6.0 AUTHORITY OF THE CITY MANAGER

The City Manager or designee shall have the authority to amend this policy as necessary to assure the continued operations of municipal services and benefit the best interests of the City.

Department Sponsor:

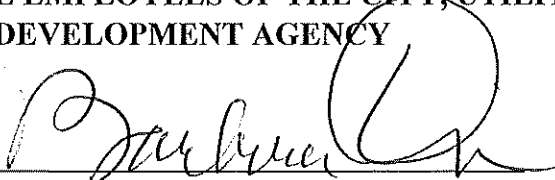
HUMAN RESOURCES DEPARTMENT

Policy Review Date:

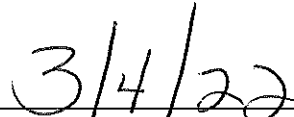
References:

Departments affected:


ALL EMPLOYEES OF THE CITY, UTILITY SPECIAL DISTRICT AND COMMUNITY REDEVELOPMENT AGENCY



**Barbara Orisio, Ed.D.
Human Resources Director**



Date



**Jonathan Evans, MPA, MBA, ICMA-CM
City Manager**



Date



City of Riviera Beach
Payment Plan Agreement Form

I, the undersigned, agree to make payments as outlined below to satisfy the current outstanding balance due to the City of Riviera Beach for xxxx Dollars and xxx Cents (\$xxx) for xxxx at the beginning of Pay Period for xxx through end of Pay Period End xxxx. Payments from my net pay will be completed over xxx consecutive payroll deductions commencing on Payment Date of xxx. In addition, if I separate employment prior to the completion of the reimbursement, I understand that the balance of the repayment will be deducted from my final paycheck.

PAYMENT	PAY PERIOD END DATE	PAYMENT DATE	AMOUNT DUE PER PAY PERIOD
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
TOTAL AMOUNT DUE			

Signature: _____
Employee Name

Date: _____

Accepted by the Finance and Administrative Services

Signature: _____
Randy Sherman
Finance and Administrative Services Director

Date: _____