RECOUPMENT OF OVERPAYMENTS

LSU Shreveport Policy Statement (PS) 3.17.00 establishes procedures to recoup overpayments or under deductions via payroll deductions, in order to comply with the Louisiana constitution which prohibits the donation of public funds. This policy is a direct reflection of the Office of State Uniform Payroll’s rules as established by LA RS 42:460.

Overpayments occur when compensation and/or reimbursements that are not owed to the employee are paid in error. This includes, but is not limited to overpayment of wages, annual leave paid in error, erroneous refunds of deductions or lack of deductions.

LSUS will recoup the overpayment in one of the following ways:

(1) Direct deposit reversal

(2) One-time deduction

(3) Repayment plan that:

* Must be agreed to by employee and Director of Accounting
* Should not exceed the current fiscal year. Anything beyond the current fiscal year requires approval from the Vice Chancellor for Business Affairs.
* Would not cause undue hardship.

(4) Personal payment by cash, check or money order

(5) If the employee terminates his/her employment with the University and owes an overpayment, the employee will repay any unpaid balance of the overpayment in full from the employee’s final paycheck upon separation.

No recoupment payment can bring the employee’s biweekly gross hourly wage amount below the federal minimum wage. If the employee agrees to have a larger amount withheld, LSUS will obtain written approval from the employee.

LSUS will notify employees in writing before any recoupment is made including the date of overpayment, the amount, the plan of action and the employee options for reimbursement as appropriate. The notification is not a request to the employee for permission to recoup. Should the employee not make arrangements with the Director of Accounting Services for a repayment plan, the overpayment will be deducted as a one-time deduction on the next available paycheck.

If an employee transfers to another state agency, LSUS cannot forgive the debt. LSUS will work with the receiving agency and the employee to collect the remainder of any overpayments. Conversely, LSUS will work with other state agencies to recoup overpayments of their former employees that currently work for LSUS.

If LSUS determines that an overpayment was made to an employee who is now separated from LSUS, and we are unable to recoup overpayment from them, we will contact our legal department to determine if recourse is warranted. The decision to pursue collection will be based on total dollar amount, time period of overpayment, cost of recoupment efforts and likelihood of success.

All employees will be notified of this policy. Agreement with this policy is a condition of employment and an acknowledgement must be signed by all new hires. If an employee does not agree with the recoupment, they can file a dispute with Human Resource Management. If it is found that the recoupment was done in error, the employee will be repaid.

My signature below acknowledges that I have read and understand the “Recoupment of Overpayments” and I will adhere to the Recoupment Policy as presented above.

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Name (Printed)

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Signature Date