



POLICY AND PROCEDURES

SUBJECT: OVERPAYMENT AND UNDERPAYMENT OF WAGES POLICY

Effective Date: September 1, 2023	Policy Number: HR-23-009
Department Sponsor: Human Resources	Supersedes: Policy Number: HR 22-03 dated March 7, 2022

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 Utility Special District (USD), and the Riviera Beach Community Redevelopment Agency (CRA), collectively referred to as the ("City") and establishes the responsibilities for employees and departments regarding the overpayment and underpayment of wages.

2.0 APPLICABILITY AND ENFORCEABILITY

This policy shall apply to all employees of the City of Riviera Beach, the Utility Special District (USD), and the Riviera Beach Community Redevelopment Agency (CRA).

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 for reviewing 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.

- i. *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.
- ii. *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 (FLSA), views overpayments to employees as a loan of future wages or an advance of wages. Thus, when an



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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.

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

4.0 PROCEDURES

4.1 Responsibilities

- A. The Finance Department or the CRA designee 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.
- B. Employees are responsible for reviewing their pay advices 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 or the CRA's designee and to the employee's Department Director.
- C. A Department Director who becomes aware of an overpayment or underpayment must report it to the Finance Department or CRA designee as soon as the error is discovered.

4.2 Administrative Process

- A. When an error is reported, Finance and Human Resources Departments or the CRA will:
 - i. Confirm the overpayment or underpayment of wages.
 - ii. Calculate the overpayment or underpayment amount.
 - iii. Reconcile the overpayment or underpayment amount.
 - iv. Notify the employee of the overpayment or underpayment amount.
 - v. Notify the employee of repayment options and provide the



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employee with an opportunity to choose an option, if there is an overpayment of wages.

- vi. Complete a W-2C, if applicable.
- vii. Place documents pertaining to the overpayment or underpayment of wages in the employee's personnel file. Such documents may include the notification to the employee of the overpayment or underpayment of wages, the employee's response, and a promissory note of the repayment schedule.
- viii. Manage the repayment and recovery process.

4.3 Recovery of Overpayment of Wages

A. If the overpayment is less than \$100, the amount will be deducted from the employee's next paycheck following the notification unless the employee arranges a different repayment option. If the overpayment is more than \$100 but less than \$1,000, the amount can be paid over a period, not to exceed one year. An overpayment amount over the \$1,000 can be repaid over a period, not to exceed three years, or an amount of time equal to the time over which the overpayment was incurred, whichever is shorter.

B. Repayment options:

- i. One-time payment:
 - Pay using a personal check, cash, or money order.
 - Payroll deduction
- ii. Repayment over time:
 - Setup payroll deductions
 - Utilize vacation and /or sick buyback. In order to avail of this option, the provisions of the employee's collective bargaining agreement and the City's policy pertaining to buyback are to be adhered to.
 - Paid Time Off (PTO) shall not be used for buyback for repayment of overpayment of wages.



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- C. Employees are required to sign a promissory note for the amount due along with a schedule of payments by pay period. The payment plan will not allow an employee to be paid below minimum wage. If an employee resigns or terminates employment before the overpayment has been fully recovered, the Finance Department or CRA may deduct the outstanding amount of the overpayment from the employee's final paycheck including the amount to be paid out for accrued leave due to the employee. If there is, an unpaid amount due after the final paycheck deduction, the City will pursue the recovery of the outstanding amount through the Finance Department or CRA and may use a third-party collection service to recover the remaining amount due to the City.
- D. 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.
- E. Department Directors or designees may not make any payment arrangements or collect any funds from employees.

4.4 Underpayment of Wages

- A. 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.

4.5 Retroactive Salary Payments

- A. Retroactive salary payments may be as result, but not limited to, promotion, reclassification, or change in base pay rate.
- B. Employees are entitled to a retroactive payment if the effective date of the salary change precedes the beginning of the current pay period.
- C. Retroactive payments will only be made with the proper authorization of a Personnel Action Request (PAR) on Tyler Munis.
- D. Retroactive payment calculation is to be prepared by the respective Department and included as supporting documentation and attached to the respective PAR representing the retroactive payment.
- E. Payment for retroactive salary changes will be made in the regularly scheduled payroll cycle, following the approval of the compensation



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change and retroactive salary calculation in the Tyler Munis PAR approval process to include the Department Director, Human Resources, Finance Department, and the City Manager or designee.

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 / CRA EXECUTIVE DIRECTOR

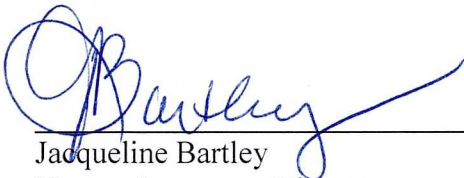
The City Manager or CRA Executive Director or designee shall have the authority to amend this policy as necessary to assure the continued operations of municipal services and benefit the best interests of the City.

Department Sponsor: Human Resources Department

Policy Review Date: September 1, 2024

References: None

Departments affected: All employees of the City of Riviera Beach, the Utility Special District and the Riviera Beach Community Redevelopment Agency.



Jacqueline Bartley
Human Resources Director

9/25/2023
Date



Jonathan Evans, MPA, MBA, ICMA-CM
CRA Executive Director

9-25-2023
Date



**CITY OF RIVIERA BEACH
PAYMENT PLAN AGREEMENT**

I, the undersigned, agree to make payments as outlined below to satisfy the current outstanding balance due to the City of Riviera Beach for _____ Dollars and _____ Cents (\$ _____) for _____ at the beginning of pay period for _____ through pay period ending _____. Payments from my net pay will be completed over _____ consecutive payroll deductions commencing on payment date of _____. 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 Number	Pay Period End Date	Payment Date	Amount due for Pay Period
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
Total Amount Due			

Signature: _____
Employee

Date: _____

Signature: _____
Randy Sherman
Finance and Administrative Services Director

Date: _____

**RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY
PAYMENT PLAN AGREEMENT**

I, the undersigned, agree to make payments as outlined below to satisfy the current outstanding balance due to the City of Riviera Beach for _____ Dollars and _____ Cents (\$ _____) for _____ at the beginning of pay period for _____ through pay period ending _____. Payments from my net pay will be completed over _____ consecutive payroll deductions commencing on payment date of _____. 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 Number	Pay Period End Date	Payment Date	Amount due for Pay Period
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
Total Amount Due			

Signature: _____
Employee

Date: _____

Signature: _____
Jonathan Evans
CRA Executive Director

Date: _____