

## Correcting Overpayment on Employee Final Pay

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Please follow this procedure if the employee will not be working any additional time and the overpayment is part of a huge check such as severance that the employee has already cashed.

- Manually calculate the gross the employee should have received.
- Manually calculate what the taxable gross should be for the correct gross amount; (Taxable Gross =gross minus annuities)
- Manually calculate the amount of taxes that would be withheld on the correct gross.
- Manually calculate the correct net pay.
- Calculate the difference between the correct net pay and what the employee actually received.
- Request from the employee the net pay calculated amount.
- Deposit the payment from the employee into the payroll clearance account.
- Calculate the difference in what was withheld and what should have been withheld for all affected deductions.
- Manually reduce the taxable gross, total gross and deduction amounts by the calculated values as it is appropriate.
- Enter negative amounts in the accumulator fields on all affected deductions.
  - The negative amount will reduce (short) the next deduction checks to each deduction company, leaving the total of the calculated deduction in the payroll clearance account. This amount plus the net pay from the employee will equal the gross that needs to be returned to USAS.
- After the next payroll(s) are finished and the shorted deduction checks are processed, use HANDCK to create a check for the gross overpayment and deposit it into the USAS account from which it was paid or wire the amount.
- Post a reduction of expenditure for this same amount.
- Manually reduce the gross figures appearing on JOBSCN screen 3 by the total gross overpayment.
- Increase the dock figure or reduce the contract amount paid as appropriate by the same amounts.
- Contact any reporting agencies to file corrections as needed.
- The district should make good notes and retain for their records.