

Office of Human Resources
807 Recovery of Overpayments

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**Georgia Department of Human Services
Human Resources Policy #807**

Recovery of Overpayments

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Active or inactive employees of the Department of Human Services, who receive erroneous funds, are required to make full restitution to the department in accordance with the methods described in this policy.

Section A: Types of Overpayments

An employee is considered overpaid when one of the following actions occurs, and the Office of Human Resources receives notification after payment is made:

1. Employee is on unpaid leave of absence,
2. Employee terminates state service,
3. Employee transfers out to another state agency or a non-state payroll entity, e.g. County DFCS Office,
4. Delay in deactivating an employee's temporary salary adjustment, or any other time-limited payment,
5. Other payments to the employee that are unauthorized.

Section B: Notification of an Overpayment

When a paycheck overpayment occurs, the Office of Financial Services or DFCS Regional Accounting will send written notification to active employees providing the repayment process start date.

1. Inactive employees shall be given thirty (30) calendar days, from the date of the written notification (See attachment [#1](#) and [#2](#)), to respond.
2. Active employees shall be given ten (10) calendar days from the date of written notification to respond to the Office of Financial Services or DFCS Regional Accounting. Employees who fail to respond by the deadline date will be denied consideration of an installment repayment schedule and are subject to a one-time deduction for the full amount owed.

Section C: Repayment Process

Active and inactive employees will have the option to establish a repayment arrangement when a payment of the amount due would create a financial hardship and there is no indication of fraud, misrepresentation, fault, or lack of good faith on the part of the employee. The size and frequency of installment payments, if deemed appropriate, should bear a reasonable relation to the size of the debt and the ability to pay.

1. Office of Financial Services or DFCS Regional Accounting will establish the repayment schedule (See attachment #2) for active and inactive employees.
 - a. Repayment Period - The repayment period for all payroll overpayments is equal to the same number of pay periods the overpayments were issued to the employee. For example, if a payroll overpayment was issued to an employee for 4 pay periods, the repayment period is 4 pay periods.
2. Deductions for salary offset for active employees will be made from regular earnings, not to exceed 25% of gross pay, except when a greater percentage may be deducted upon employee's written consent.
 - a. Repayment Amount - The amount to be repaid for all payroll overpayments is equal to the same amount paid to the employee each pay period. For example, if a payroll overpayment was issued to an employee for \$100.00 each pay period for 4 pay periods, the repayment amount is \$100.00 each pay period for 4 pay periods.
3. Unused accrued annual leave will offset the overpayment of an inactive employee. If the dollar amount of the accrued annual leave does not satisfy the debt, the former employee will be required to submit payment for the difference.
4. When accrued annual leave is sufficient to cover the full debt of an inactive employee, any remaining annual leave will be processed and released to the inactive employee.
5. If an active employee resigns or state service otherwise ends before collection of the amount of the indebtedness is completed, a deduction shall be made from subsequent payments, e.g. last regular earnings, or annual leave payout.

For additional information or assistance, please contact the Office of Financial Services or DFCS Regional Accounting.

807 A1 Sample Paid Status Error Overpayment Letter



Georgia Department of Human Services
Human Resources Policy #807 A1

Date

Dear [Employee Name]:

It has come to the attention of the Office of Human Resources that you were to be placed on leave without pay effective [Date]. Due to an administrative error, you remained in pay status for two consecutive pay periods [Date] and [Date], receiving paychecks, which were directly deposited into your checking account. The following are amounts received in error:

Pay Period Ending Date	Amount Overpaid
July 15, 2004	\$ <u>819.27</u>
July 31, 2004	\$ <u>828.06</u>
Total Amount Overpaid \$ <u>1,647.33</u>	

A cashier's check or money order payable to **The Department of Human Services** for **\$1,647.33** must be received in our office by _____. If you are unable to submit this amount, please contact DHS within ten calendar days from the date of this letter at _____ to make other arrangements for refunding the department. If I do not hear from you by _____, this matter will be turned over to the DHS Office of General Counsel.

Your cooperation in this matter is greatly appreciated.

Sincerely,

807 A2 Sample Terminated Employee Overpayment Letter



Georgia Department of Human Services
Human Resources Policy #807 A2

Sample Terminated Employee Overpayment Letter

Date

Dear [Employee Name]:

Our office received notification that your employment ended with the agency on [Date]. Due to an administrative error, you remained in pay status and received three full paychecks on [Pay Period Ending Date], [Pay Period Ending Date], and [Pay Period Ending Date]. These funds were directly deposited into your checking account as follows:

<u>Pay Period Ending Date</u>	<u>Amount Received</u>	<u>Amount Owed</u>
[Date]	\$1,552.11	\$174.28
[Date]	\$1,571.27	\$0.00
[Date]	\$1,552.11	\$0.00

The overpayment amount \$_____ has been offset with _____ hours of unused accrued annual leave, a dollar value of _____. A cashier's check or money order payable to **Georgia Department of Human Services** for the difference, \$_____, must be received in our office no later than _____. If you are unable to submit this amount, please contact me within thirty-days (30) calendars from the date of this letter, to make other arrangements for refunding the department. In order to receive an accurate W-2 for _____, the repayment must be completed by _____.

Feel free to contact me at _____ if you have any questions. Your cooperation in this matter is greatly appreciated. However, if we do not hear from you by _____, this matter will be turned over to the DHS Office of General Counsel.

Sincerely,

807 A3 Sample Active Employee Repayment Agreement



Georgia Department of Human Services Human Resources Policy #807 A3

Sample Active Employee Repayment Agreement

Date

This agreement is entered into with the Department of Human Services and the employee listed below.

I, _____, acknowledge and do not dispute, the debt owed to the Department of Human Services in the amount of \$ _____. I agree to the following installment repayment schedule as set forth below. The first payment to be deducted from my regular earnings on _____, with the final payment of \$ _____, from my regular earnings on _____.

Payment Due Date	Amount Due	Date Received
		(OFS Use Only)

I understand that if I resign or my employment with the Department of Human Services is terminated before completing this repayment agreement, my final regular earnings paycheck and/or accrued annual leave paycheck will be applied to this debt, and I will remain responsible for any additional amount owed following such application.

Employee Signature

Date

OHR Director or Designee Signature

Date

OFS Director or Designee Signature

Date

807 A4 Sample Inactive Employee Repayment Agreement



**Georgia Department of Human Services
Human Resources Policy #807 A4**

Sample Inactive Employee Repayment Agreement

Date

This agreement is entered into with the Department of Human Services and the employee listed below.

I, _____, acknowledge and do not dispute, the debt owed to the Department of Human Services in the amount of \$ _____. I agree to the following installment repayment schedule as set forth below. The first payment of \$ _____, due on _____ and the final payment of \$ _____ due on _____.

Payment Due Date	Amount Due	Date Received (OFS Use Only)

Employee Signature

Date

OHR Director or Designee Signature

Date

OFS Director or Designee Signature

Date