

Payroll Overpayments

University of California employees are not legally entitled to receive more money than they earned for each pay period. When an employee has been overpaid, an overpayment recovery plan is established to provide a method by which the overpayment can be recovered.

Common reasons for overpayments include:

- Unpaid Exception Time: *leave over-usage, unauthorized or unexcused absences*
- Wage Overpayments: *timesheet errors, erroneous compensation rate, coding errors on job record, severance repayment, erroneous payment during unpaid leave of absence*
- Deduction Errors: *insufficient withholding (or the arrearage of) a mandatory employee-paid tax or deduction*

Any overpayment represents a legal debt owed to the University, which it has a duty and obligation to recover.

Reporting Overpayments

The overpayment recovery process begins when an overpayment is reported through one of the following actions:

- An employee identifies a potential overpayment and reports it to their Manager, HR, APO or Payroll
- Campus submits an overpayment recovery request to the Payroll Office
- Payroll identifies an overpayment; for example, where there are:
 - Payroll adjustments due to timesheet changes
 - Late submissions of Pay Impacting transactions

UCPATH Center identifies an overpayment; for example:

- Retirement/FICA coding corrections

The Payroll Services office is responsible for coordinating the overpayment recovery process with UCPATH Center on behalf of UC Merced.

Collection Methods

Employee consent is required for an overpayment amount to be deducted from a future pay check or remitted via check or credit card. When contacted by the campus unit the Payroll Services Office will transact an Overpayment Billing Request with UCPATH Center. UCPATH Path Center will provide a letter containing a billing notice, amounts and tax implications, and a repayment agreement for the



employee to indicate consent. The Payroll Services team coordinates signing the repayment agreement with the employee, obtaining their consent, and communicating back to the UCPATH Center to process the overpayment.

Overpayments are generally collected using the following methods, which are outlined in the employees specific Overpayment Packet:

Method 1: Payroll Deduction

- **One-time payroll deduction** - Full repayment of the amount owed via payroll deduction from the employee's next payment
- **Recurring payroll deduction** - Recurring payroll deduction installments from a set number of paychecks until the overpayment is paid in full

Method 2: Cash Payment

- **Personal Check** - One-time payment in full or installment payments by personal check
 - Make check payable to UC Regents
 - Mail check along with a copy of the signed agreement to:

Post Office Remittance Address

(For U.S. Mail):

Los Angeles Lockbox

UCPath Overpayments

P.O. Box 741621 (LBX#)

Los Angeles, CA 90074 – 1621

Overnight Mail

(For Courier Delivery Only):

Los Angeles Lockbox

UCPath Overpayments

P.O. Box 741621 (LBX#)

Los Angeles, CA 90074 - 1621

Method 3: Return Uncashed Overpayment Check to UCPATH Center

Return uncashed Overpayment Check to UCPATH Center:

Return Address: UCPATH Center, 14350-1 Meridian Pkwy Riverside, CA 92518

Method 4: Online Payment

Please visit UCPATH online at <https://ucpath.universityofcalifornia.edu> , and click on the following: Quicklinks > Payroll Resources Page > Salary Overpayment Portal

You will need your Customer ID# located at the top of this page and if prompted, use Invoice#0000.

Overpayment Closeout

The process is complete when the full amount of the overpayment has been recovered and the employee's earnings record is adjusted to reflect the repayment.

- If the overpayment includes earnings reported and paid from a prior tax year, the University may be able to amend and recover FICA (OASDI and Medicare) taxes. If an attestation is signed by the employee indicating that they will not file a claim for the FICA taxes withheld as part of the overpayment, a form W-2C will be issued adjusting the FICA amounts only.
- The University is unable to recover any federal or state taxes already withheld as part of the overpayment from a prior year.

Reference

https://ucop.edu/ucpath-center/_files/mypath/ar/ovp-faq.pdf