



Overpayments Policy



Introduction and Purpose

The purpose of this policy document is to set out Dublin City University's (hereinafter referred to as 'DCU' or the 'University') policy and procedures for the recoupment of any overpayment of salary, allowances, pension payment or expenses.

Scope

This policy applies to employees, former employees of DCU or any person in receipt of retirement benefits from the University who have received an overpayment in their salary, allowances, pension, gratuity or expenses from the University.

Policy Statement

Overpayments of salary, allowances, pension, gratuity and expenses to employees may occur from time to time for various reasons.

The Payment of Wages Act, 1991, section 5(5), affords an employer a legal right to recover any overpayment of wages, allowances or expenses.

As a public sector employer, DCU is accountable for the appropriate use of all public funds. Normally, the University will seek to recover all overpayments, however small, in a consistent and timely manner. Employees have a reciprocal obligation to repay.

This policy aims to ensure that:

- DCU continues to be compliant with obligations under the Payment of Wages Act 1991;
- All efforts are made by DCU to ensure that public monies are accounted for;
- University employees are informed of the process for recovery of incorrectly paid salary, pension, expenses or allowances; &
- University employees are treated in a fair and consistent manner.

The University will make reasonable efforts to agree a fair repayment plan (see [Appendix 2](#)), which will be communicated to the employee concerned.

Any repayment plan must be in accordance with Revenue guidelines and tax regulations (see [Appendix 3](#)).

Roles and Responsibilities

Manager

Ensure that changes to contracts and information relating to resignations and the leaver process is notified to the HR Department as soon as a notification of a change is received.



Employee

- a) Should check all relevant payroll forms, their pay slip(s), and bank or building society account(s) for accurate payments and deductions on a regular basis.
- b) Employees of the University have a responsibility to report any potential overpayments which they have received so that a repayment plan can be put in place. Employees should not assume that they have received an increase in pay (temporary or reoccurring) unless there is some valid reason to believe that this is the case.
- c) An individual should email ask.hr@dcu.ie if they receive a payment to which they are not entitled or if an expected decrease in their salary (for example, as a result of unpaid parental leave) has not been reflected in their pay.

Payroll

- a) To provide HR with details of the overpayment, including the period covered and the amount in total.
- b) Responsible for providing advice regarding repayment options and administering the recovery of the overpayment.
- c) To notify HR where they become aware that a potential overpayment may have arisen.

HR

- a) To provide advice, assistance and training to ensure robust and consistent implementation of this policy and its procedure (see [Appendix 1](#)).
- b) When an overpayment has been identified, HR will write to the individual concerned with details of the overpayment, including the period covered, the amount in total, and an explanation for the reason for the overpayment and a proposed repayment plan.
- c) HR will confirm the finalised agreed repayment plan with the employee concerned, and will notify Payroll in writing.
- d) For audit requirements, details of all overpayments will be maintained by HR including details of any communications and the relevant repayment plan.

Related Documentation

This policy should be read in conjunction with:

Department of Public Expenditure and Reform Circular DPE189-002-2016 Recovery of Salary, Allowances, and Expenses Overpayments made to Staff Members/Former Staff Members/Pensioners ([see Link](#)).




Contact

All queries relating to the operation of this policy should be directed to a HR Business Partner a list of which may be found at [this link](#).

Policy Review

This policy will be reviewed in 3 years' time or when there is a change to Revenue Regulations and/or further circulars issued by the Department of Public Expenditure and Reform in respect of overpayments made to staff members, whichever comes earlier.

Version Control

Policy Name	Overpayments Policy		
Unit Owner	Human Resources		
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Approved by	DCU Executive	N/a	
Effective Date	June 28 th 2022	N/a	

Appendix 1 – Procedure

For Staff continuing to work for the University

Where an overpayment has occurred the following arrangements will apply:

- a) HR will liaise with Payroll to clarify the details of the overpayment and confirm the Revenue regulations for recoupment.
- b) HR will engage with the employee and will provide the following details in writing:
 - information on the circumstances by which the overpayment occurred;
 - the value of the overpayment;
 - the period to which the overpayment relates; &
 - the proposed repayment plan which will include details on Revenue regulations in relation to how the overpayment must be recouped.
- c) The employee will be notified that, should they not respond to the communication from the University by a specified date (14 days from the date of the letter/email), it will be deemed that they have agreed to the recommended repayment plan and that deductions will commence in accordance with that repayment option without further recourse to the staff member.
- d) Where it is demonstrated that recovery of the overpayment over a short period of time would cause genuine hardship, the staff member should contact HR to discuss their situation so that HR can determine an appropriate repayment plan.



- e) In order to ensure prompt management of overpayments, if the employee does not respond by the stated response date this may, except in exceptional circumstances, result in automatic recovery commencing if the employee has not reasonably engaged in the process. Should the individual leave the University during a repayment period any outstanding amounts will be deducted from their final payroll payment and/or subsequent payments due to them, including for example any lump sum amounts such as refunds of pension contributions. If after deduction, money remains outstanding individuals will be invoiced by the University for the outstanding balance and the process as stated in the following sub-section will apply.

For an employee who has left employment

- a) HR will write to the individual, at the last known forwarding address held on the HR system, advising them that an overpayment has occurred and attaching an invoice for the amount concerned. The letter will state the cause of the overpayment, the value of the overpayment, an explanation of how the value was calculated and timescale for providing a response. Any query must be raised with HR within the stated timescale. HR will make two attempts to engage with the individual on the matter of repayment.
- b) If no agreement is reached by HR with the individual, then DCU's Finance Office will write to the individual informing them that the recovery of debt will be managed through existing debt recovery procedures.
- c) If an individual has not provided the forwarding details, every effort will be made to obtain a contact address.

For a Person(s) in receipt of Retirement Benefits

- a) Where an overpayment is made to a person who is in receipt of retirement benefits, or other benefits under the terms of the University's Superannuation Schemes (including the Spouses & Children's Scheme) to which the person is not entitled to then the person or, where he or she has died, his or her legal personal representative, shall repay such payments to the University as appropriate.
- b) HR will write to the person or legal representative of the deceased member in line with the procedure outlined in the sub-section above.

Death in Service Benefits

- a) Where an overpayment is made in respect of Death in Service Benefit, the deceased legal personal representative shall repay such payments to the University as appropriate.
- b) HR will write to the person and/or legal representative of the deceased member in line with the procedure outlined in sub-section above.



Appendix 2 – Repayment Plan

For Staff continuing to work for the University

- a) Where there is a change to an individual's working hours or late notification of a reduction in hours, as the individual will have agreed to this change and already be aware of this change, an automatic deduction will be made from the next available payment.
- b) Where an overpayment occurs in a single pay period, it is expected that this will be recovered from the next available pay period. Example, a late notification to end an allowance or other regular payment.
- c) Where an overpayment occurs over a period of time, the overpayment will normally be recovered as soon as possible. In limited cases, there may be extenuating circumstances where an individual may wish to agree a longer repayment plan.

For an employee who has left employment

- a) All amounts invoiced will be payable in full within thirty days of the invoice being issued. Where recovery of the overpayment within thirty days of the invoice would cause genuine hardship, the former employee shall be given the opportunity to discuss a repayment plan with a HR representative.
- b) If no response is received from the individual, despite a concerted effort to make contact, the University will be obliged to manage the recovery through existing debt recovery procedures.

For a Person in receipt of Retirement Benefits

- a) Repayments may be made by way of a reduction in benefits payable under the Superannuation Scheme or Spouses & Children Scheme or in accordance with a payment schedule agreed with the University.
- b) In default of any repayment being made, the full amount of the excess payment outstanding may be recovered by the University through existing debt recovery procedures.

Appendix 3 - Calculating Overpayments in line with Revenue Regulations

For Staff continuing to work for the University

- a) Current-year overpayment recoupment - where the overpayment is being recouped by means of a deduction from salary in the current tax year, the gross amount of the overpayment is deducted from gross salary. Using this method, statutory and other applicable deductions will be adjusted.



b) Out-of-year overpayment recoupment - if the overpayment took place outside the current tax year i.e. in a previous year(s), in compliance with Revenue rules, the gross overpayment must be collected from net pay and the staff member must apply directly to Revenue for a refund of any income tax and USC deducted and to the Department of Social Protection for any PRSI on the overpayment. Where an overpayment is being recouped out-of-year upon receipt of the full overpayment, DCU will issue a statement(s) to the staff member setting out:

- the year to which the overpayment relates, and
- the amount of the overpayment recouped each year.

For an employee who has left employment

- a) Where an employee leaves employment in the current year and is required to repay an overpayment of salary, the employee may repay the net value of the overpayment to the employer.
- b) Where an employee ceased to be employed by an employer in a previous year, and is required to repay an overpayment of salary the employee must repay the gross value of the overpayment to the employer and apply to Revenue for any refund of income tax and USC and to the Department of Social Protection for any PRSI that may be due.

End.