

Overpayments Recovery

- 1.0 Purpose
- 2.0 Scope
- 3.0 Procedure
- 4.0 Definitions
- 5.0 Information
- 6.0 Related policy documents and supporting documents

1.0 Purpose

Griffith University will recover all overpayments. This procedure details the recovery process for overpayments relating to salary, wages, loadings, allowances, superannuation, scholarships and other payments.

2.0 Scope

This procedure defines the responsibilities of employees, students and the University to identify and recover, in a fair and timely manner, overpayments that have occurred during the course of University business.

This procedure applies to any individual who is paid (payee) via the University's payroll system, including staff employed in controlled entities and students receiving scholarship payments.

3.0 Procedure

3.1 Overpayments Recovery

A payee who has received an overpayment has a duty to immediately report the overpayment to Human Resources (HR) via payroll@griffith.edu.au

The University is obliged to recover all overpayments. A payee who is paid via the University payroll system and receives an overpayment is required to repay the overpayment in a timely manner. Human Resources will, on behalf of the University, act in a reasonable manner to recoup the overpayment after consultation with the payee.

In accordance with the Australian Tax Office (ATO) regulations, if the overpayment occurs in the current financial year, repayment of the net overpayment is required (i.e. gross amount less pay-as-you-go (PAYG) tax).

If the overpayment is in relation to salary amounts received in a prior financial year, repayment will be of the gross amount. The payee will be issued with an amended PAYG Payment Summary which will report the reduced taxable salary for the financial year in which the overpayment occurred. The payee will then be required to submit an application for amendment to the ATO to request a review of their tax assessment for that financial year. The ATO will refund the payee any overpaid PAYG tax where applicable.

3.2 Repayment Options

When an overpayment has been identified, Human Resources will make enquiries to determine the reason for the overpayment and the amount to be repaid. Human Resources will advise the payee of the overpayment, the amount to be repaid and the proposed recovery action.

Overpayments will be recovered at the rate agreed between Human Resources and the payee. Payees are required to sign a written agreement confirming the amount and timing of recovery payments.

The following repayment options are available:

- payment in full made via bank transfer into the University's nominated bank account;
- payment via instalment by means of deduction from a scholarship holders' stipend or an employee's fortnightly pay until the debt is recovered guided by the following:
 - the fortnightly instalment rate is only applicable to overpayments greater than \$250 and will be at the minimum rate of \$250 per fortnightly salary or scholarship stipend, or at least 20% of the payee's fortnightly salary or scholarship stipend, whichever is the lesser amount;
 - amounts less than \$250 will be deducted from the next available scholarship stipend or fortnightly salary payment as a lump sum;
 - fringe benefits tax (FBT) may be payable for debts that are repaid via fortnightly instalments in accordance with 3.6 Fringe Benefits Tax.
- where a large overpayment is the subject of recovery action, a longer period of time (maximum period of 12 months) will be approved by the Director, Human Resources;
- the payee may make an application for special consideration in the amount and/or duration of repayment on the grounds of financial hardship. In such cases, evidence of financial hardship must be provided, and an application made in writing to the Director, Human Resources.

Overpayments that are not recovered are debts to the University. In circumstances where the payee does not respond to requests for repayment or does not enter into a written agreement relating to repayment, the matter will be considered to be a formal debt to the University and will be referred to the Office of Finance where a debtor's invoice will be raised.

If the outstanding invoice remains unpaid, formal debt recovery action will be taken.

3.3 Scholarship Overpayments

Scholarship overpayments are viewed by the University as financial obligations and must be repaid in accordance with this procedure. Failure to repay may result in sanctions being placed on a student's candidature, for example, not permitted to submit thesis for examination or being able to graduate.

3.4 Superannuation Overpayments

Where an employer superannuation contribution has been paid on overpaid salary amounts, the overpaid superannuation amount will also be recovered.

For QSuper and UniSuper members, in accordance with the applicable fund rules in force at the time, the overpaid superannuation contributions may be processed as a negative contribution to the employee's super account. If a negative contribution cannot be processed the employee will

be required to repay the overpaid employer contribution to the University in addition to the overpayment.

For other superannuation funds, the employee will be required to repay the overpaid employer contribution in addition to the overpayment.

3.5 Termination of Employment

The University reserves the right to recover any outstanding overpayments from salary and accrued leave entitlements to be paid out upon resignation, retirement, redundancy or separation from the University.

Where salary and accrued leave entitlements are insufficient to recover the overpayment, the shortfall will become immediately payable. In this case, formal debt recovery action will be undertaken if consultation with the payee does not result in an agreed arrangement for timely repayment.

3.6 Fringe Benefits Tax

All overpayments which are recovered by instalment or remain outstanding may constitute a Loan Fringe Benefit. A Loan Fringe Benefit arises when the University, provides a loan to an employee and charges a low interest rate (or no interest) during the FBT year from 1 April to 31 March.

A low interest rate is a rate that is less than the statutory rate prescribed by the ATO each year. Any taxation liability incurred by the University from this loan shall be repaid by the payee. The Office of Finance will determine the liability based upon the current ATO provisions.

3.7 Debt Write-off

The University in its absolute discretion and in limited circumstances may write-off a salary overpayment. In the event that a salary overpayment is written off in accordance with the Financial Delegations Schedule, then any Debt Waiver Fringe Benefit Tax liability plus outstanding loan balance at time of write-off will be borne by the relevant budget element.

This debt write-off is contrasted against the situation where formal debt recovery action has been taken (see 3.2 Repayment Options) but the debt remains unpaid and is ultimately written off as bad debt. It is important to note that a debt owed by an employee that is written off as a genuine bad debt will not give rise to a debt waiver fringe benefit.

4.0 Definitions

For the purposes of this procedure and related documents, the following definitions apply:

Debt Recovery – refers to a formal debt recovery process that is undertaken to recover a debt that remains unpaid. Human Resources will consult the relevant area before formal debt recovery action is undertaken and any costs, including but not limited to administrative fees and charges, debt recovery agency costs and legal costs, will normally be included in the total debt owed.

Payee – means any person who is paid by the University payroll system pursuant to the Griffith University Enterprise Agreement or other agreements, e.g. for scholarships.

Overpayment – means payment of an amount to a payee in excess of the correct entitlement and includes salary, wages, scholarships, allowances, superannuation and any other payments paid through the University's payroll system to which the payee is not entitled.

For advice and support contact policy@griffith.edu.au for Governance and Operational policy documents.

5.0 Information

Title	Overpayments Recovery Procedure
Document number	2023/0001114
Purpose	The University is required to recover all overpayments. This procedure details the recovery process for overpayments relating to salary, wages, allowances, superannuation, scholarships and other payments processed via the Griffith University (the University) payroll system.
Audience	Staff
Category	Operational
Subcategory	Staff
UN Sustainable Development Goals (SDGs)	This document aligns with Sustainable Development Goal: 4: Quality Education
Approval date	October 2023
Effective date	October 2023
Review date	2026
Policy advisor	Head of Systems and Payroll
Approving authority	Director, Human Resources

6.0 Related Policy Documents and Supporting Documents

Legislation	N/A
Policy	Code of Conduct Student Charter Framework
Procedure	Financial Management Practice Manual
Local Protocol	N/A
Forms	N/A