**SECTION 16: PAYROLL ERRORS**

To ensure that system or other errors which affect an employee’s pay are processed in an efficient and effective manner, the City shall notify the affected employee(s) as soon as practicable. Payroll errors detected by an employee shall, as soon as practicable, be communicated to the employee’s Departmental Payroll Clerk. In the case of under payments, the Payroll Clerk shall submit the appropriate adjustments as soon as practicable. Payroll errors identified by the Auditor will be communicated to the employee either directly by Auditor staff or through the Departmental Payroll Clerk.

**If an Employee is underpaid by the City, the City will add a 10% penalty to the repayment on the date it is paid. In addition, an Employee who is owed money by the City at the time they separate from City employment will receive one days’ pay for each day up to a maximum of thirty (30) days from the final day of employment until they are paid all monies owed.**

Under payments will be processed as soon as practicable after they are brought to the attention of the Auditor’s Department. If the employee is paid less than 80% of base salary as a result of an underpayment in the then-current pay period, the City shall process the underpayment within three business days after notification to the departmental payroll clerk and approval of the supervisor. All other underpayment adjustments will be processed on the next paycheck.

In the event of an overpayment, the Auditor's Office will determine a reasonable repayment schedule and inform the employee of the schedule directly, or through the Department Payroll Clerk. Before a repayment schedule is implemented the affected employee shall be given an opportunity to discuss the schedule of repayment and to request an adjustment to the repayment schedule as a needed and reasonable modification. In the event that (1) the employee does not respond within 10 working days of receiving written notice of the overpayment, or (2) mutual agreement on the repayment schedule is not achieved within 20 working days of the employee receiving written notice of the overpayment, the Auditor's Office will proceed to implement a reasonable repayment schedule consistent with the requirements of this section. Factors considered in determining whether a requested modification of a repayment schedule is reasonable include, but are not limited to, the length of time the overpayment has occurred, the amount of the overpayment, the employee’s normal salary, and other financial obligations of the employee.

Generally, overpayment shall be recaptured at least at the rate at which the overpayment occurred. Overpayment shall not be recaptured at a more rapid rate than the rate at which the overpayment occurred, except (1) by permission of the affected employee, or (2) if the repayment amount per pay period would otherwise be less than five percent (5%) of gross base salary each pay period, or, (3) the overpayment was of $99 or less, in which case it must be recouped in one lump sum. However, should an employee with a repayment schedule leave the employ of the City before repaying the City the full amount of any overpayment, the outstanding debt shall be deducted from any salary and leave balances for which the employee would otherwise be paid upon separating from the City. Where an employee requests and the City concludes that s/he has justified a modified repayment schedule, the City may, in its sole discretion, permit exceptions to these standards.

The City and the Union agree that the City is authorized to recover any salary overpayment made to the employee from the employee’s wages, except that the City shall not attempt to recover overpayments which would be barred by a four year statute of limitations in a court action for their recovery. However, once a repayment schedule is implemented, the City will retain the right to recover the full amount of the overpayments covered by the schedule, and the limitations period for those overpayments shall be tolled for the duration of the repayment schedule.

Nothing in this policy shall prevent the City **or Union** from taking such other or additional action, such as a lawsuit, as is appropriate and necessary to recover overpayments **or underpayments** to employees.