



St Thérèse of Lisieux Catholic Multi Academy Trust Employee Overpayment Policy and Procedure

Audience:	Central Team, Head Teachers and all other CMAT employees
Approved:	12/10/2020
Policy Owner:	Louise Wilson – Accounting Officer
Policy Prepared By:	Rachel Abbott – Senior Finance Manager
Policy Model:	Compliance – all CMAT academies use this policy
Review:	2 Yearly
Version Number:	1.0 – (October 2020)

Scope of this policy

This policy applies to all persons working for St Thérèse of Lisieux Catholic Multi Academy Trust (The Trust) or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, external consultants, contractors, third-party representatives, business partners, sponsors or any other person associated with us, wherever located (collectively referred to as employees in this policy).

Objective of this policy

The objective of this policy is to:

- ensure The Trust correctly attempts to recover employee overpayments

This policy observes the relevant financial regulations and guidance set out in the current Academies Financial Handbook, the Trust's Funding Agreement with the Secretary of State, the Trust's Scheme of Delegation, and Trust Financial Regulations.

Ownership of this policy

This policy is owned by The Trust's Finance and Estates Committee. Each academy will adopt this policy.

Monitoring of this policy

The Senior Finance Manager will implement this policy across the Trust on a day to day. Each academy will share and apply this policy.

Related policies/documents

I24 – Bad Debts - Finance Regulations Manual

Debt Recovery and Write off Policy

POLICY

1. Introduction

There may be occasions when an employee is over paid in error, for example if someone leaves or reduces their hours and this is not processed before the payroll cut off. This means that money which should be spent on the children's education is used to pay employees wages that are not owed. I am sure every employee will agree that this is unacceptable, and we request that all employees give this policy their full support.

2. Our Policy

Our trust aims to have robust and time bound Human Resources processes in place for Starters, Leavers and Changes, which minimise the risk of employee overpayments. There is an expectation that all trust and academy employees involved in HR understand and adhere to these processes.

Where an employee overpayment does occur our policy is to recover this from the employee as soon as is possible as per the Employment Rights Act 1996.

Where repayment is not made by the employee or a repayment plan is not entered into employee overpayments will proceed as per the Trust's Debt Recovery and Write Off Policy.

PROCEDURE

3. Highlighting an overpayment

As soon as an overpayment is identified or suspected the academy should contact the payroll officer at payroll@stl-cmat.org.uk with full details of the overpayment, including:

- Academy name
- Name of employee who has been overpaid
- Why they have been overpaid – E.G. reduced hours or leave not processed before payroll cut-off date
- The dates during which the overpayment occurred
- Details of the leaver or change request submitted by the academy

This detail will enable the payroll officer to establish with HR that we need to correct the employee's contract/ process the leaver and request an over payment letter from the payroll team.

4. The Overpayment Letter

The overpayment letter will be produced and sent to the employee – this will detail the value of the overpayment and therefore the amount that will be recovered from the employee. It will also ask the employee to state their preference for recovery in one sum or in instalments. Instalments may be more appropriate for larger amounts and the employee can discuss this option with the payroll officer if this approach will be necessary.

5. The Recovery - Employees

Once a repayment schedule is agreed the payroll officer will arrange for the deduction of the overpayment from future wages as per the plan until the recovery is complete. This will be clearly stated on the payslips.

6. The Recovery – Former Employees

Where the overpayment relates to a leaver the recovery cannot be deducted from future wages. The overpayment letter will invite the former employee to repay the value as one, but will also suggest they contact us if a repayment plan is the only option for them. The letter will provide them with the Trust bank details which will enable them to make payment.

Once the overpayment has been recovered the payroll officer will liaise with the payroll team to have the overpayment reversed through payroll which will ensure the former employees tax and NI contributions are correct.

Once this stage is complete the P45 can be issued.

7. Non payment

Where the repayment is not received or contact not made by former employees within 30 days of issuing the overpayment letter the debt will become subject to the Trust's standard debt recovery policy and procedure.