



*Blood and Transplant*

# **Human Resources Policies and Procedures**

Guidance on handling  
Overpayments

UCD/HRO/Overpay/036

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## **1.0 SCOPE OF POLICY**

This policy has been produced to ensure Managers and staff aware of their responsibilities when an overpayment occurs and the overpayment recovery process.

## **2.0 OVERPAYMENT STATEMENT**

NHSBT has an obligation to recover overpayments made, and will work with the individual involved to mutually agree a suitable repayment period wherever possible. The employee will be offered the ability to repay over the same timescales as the overpayment was made. NHSBT does not intend or wish to cause financial hardship to its employees. NHSBT expects all staff to check their payslips thoroughly and to raise any queries via the Pay Support Helpline (0191 202 [5] 4455) in order to ensure that they are receiving the correct payments.

Where it is not possible to mutually agree repayment NHSBT may pursue recovery of an overpayment in line with its rights under the individual contract of employment and/or employer's rights under relevant legislation.

NHSBT will work to avoid the occurrence of overpayment situations reviewing the reasons for overpayments and taking corrective actions to avoid recurrence.

## **3.0 OVERPAYMENT RECOVERY PROCESS**

NHS SBS Payroll Department will identify all overpayments and inform the individual(s) concerned, in writing, of the overpayment including details of how the overpayment has occurred.

### **3.1 Undisputed Overpayments**

Overpayments where there is no dispute, and the employee is repaying or has agreed to repay the overpayment, will be handled between NHS SBS Payroll Department and the individual.

NHS SBS Payroll Department will maintain a record of all overpayments. HR Pay and Rewards will routinely review this information to establish the cause of overpayments. Where the cause of the overpayment is as a direct result of action taken by a manager then HR Pay and Rewards will liaise with the appropriate person to ensure that the manager is made aware of their actions to prevent recurrence and ensure that they understand the impact of their action and are aware of the repercussions that overpayments cause.

Where the overpayment is as a result of action taken by Pay Support or NHS SBS Payroll Department, then, the Pay Support Manager and/or NHS SBS Payroll Manager will review the incident, processes and procedures to ensure that steps are put in place to prevent the overpayment from happening again and all parties are aware of the repercussions that overpayments cause.

There will be occasions when the employee who has been overpaid will agree repayment but will request an explanation of the overpayment. In this situation the employee will be able to contact NHS SBS Payroll by email or telephone to request a telephone explanation.

### **3.2 Disputed Overpayments**

Where an overpayment is identified and the employee is refusing to repay or is disputing the overpayment NHS SBS Payroll will refer the case to the Head of Pay

and Rewards. This will usually be done within one calendar month of the overpayment being identified. The Head of Pay and Rewards will examine the case and establish who is the best person to deal with the overpayment meeting.

### **3.3 Overpayment meeting**

The person appointed to deal with the overpayment will convene a meeting within one calendar month of receiving the notification from HR Pay and Rewards. HR will facilitate the meeting to confirm NHSBT's position in relation to the overpayment e.g. explain that NHSBT has a contractual right to recover the overpayment. The appointed person will outline the background to and reason for the overpayment with telephone support from NHS SBS payroll department or Pay Support (as appropriate). The employee/union representative will be given the opportunity to express their point of view in relation to the overpayment and the cause of it.

In line with NHSBT's Standing Financial Instructions the appointed person does not have the right to agree to a reduction of the overpayment or to write it off. However, consideration may be given to extending the length of the repayment period.

Following this meeting the appointed person will produce a written document that outlines what was discussed and agreed at the meeting. The key points should be notified to all parties in advance. Where agreement to repay the overpayment is reached then the Head of Pay and Rewards will advise NHS SBS Payroll who will write to the member of staff, based on the outcome of the meeting, and recovery will commence.

If agreement to repay the overpayment can not be secured at the meeting and all of the issues have been fully explored then a summary of the discussion and reason why the employee is refusing to repay must be clearly documented. The case will then need to be referred to the Joint HR/Finance Overpayments Group.

### **3.4 Joint HR/Finance Overpayments Group**

The Joint HR/Finance Overpayments Group will consider all of the information available and will make a decision to either:

- i) Commence recovery of the overpayment (where appropriate seeking legal advice) or
- ii) Make a recommendation, to either fully or partially write off the overpayment. The reason for this course of action will be for one or more of the following reasons
  - Contractual Entitlement
  - Clear mitigating circumstances e.g. hardship/distress/Estoppel
  - Clear evidence from the employee that they have tried to address this previously and NHSBT have not actioned their concern
  - Death in service
  - Terminal illness

The Head of HR Pay and Rewards will communicate the decision reached by the joint HR/Finance group

Where the Joint HR/Finance Overpayments Group do not feel that NHSBT should pursue recovery of the full overpayment then Joint HR/Finance Overpayment Group will prepare a concise business case for the consideration of the Senior HR/Finance Team which will recommend a course of action and the reasons why this is appropriate. The action will either be:

- Complete write off
- Partial write off

The Senior HR/Finance Team will then make recommendations to the Finance Director and HR Director.

Where reduction or write-off is approved every step must be taken to ensure that the cause of the overpayment does not happen again. This will involve all parties identifying exactly how the overpayment occurred and reviewing all internal processes to ensure they are robust. Head of HR Pay and Rewards will oversee this action on every case and will report back to the Assistant Finance Director - Operations.