Payroll Discrepancy Correction Policy

Policy number: 408
Policy owner: Chief Human Resources Officer

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SECTION I. PURPOSE

This policy provides guidance on how the University of St. Thomas identifies, communicates, and corrects payroll discrepancies, including overpayments and underpayments. It ensures fairness, transparency, and compliance with wage and hour laws.

SECTION II. SCOPE AND APPLICABILITY

This policy applies to all regular full-time and part-time hourly and salaried staff employees, faculty employees to the extent not superseded by the faculty handbook, term appointments, temporary employees, on-call employees and student workers.

SECTION III. DEFINITIONS

When used in this policy, the following terms have the following meanings:

a. ***Overpayment:*** When an employee receives more pay than they were entitled to (e.g., duplicate payments, incorrect salary rate, excess hours).
b. ***Underpayment***: When an employee receives less pay than they were entitled to (e.g., missed hours, delayed raises, incorrect deductions).

SECTION IV. POLICY

The University is committed to:

a. Accurately compensating employees for all work performed
b. Promptly correcting any payroll discrepancies
c. Ensuring any required adjustments follow federal and state employment and labor laws

Employees are encouraged to review their pay stubs regularly and report issues **within 5 business days** of receiving their paycheck. Payroll discrepancies can be reported by:

- The employee
- The employee's supervisor
- HR or Payroll team

To maintain financial accuracy and compliance, the University will adhere to the following timeframes for identifying and correcting payroll discrepancies:

- Underpayments (Employee Was Underpaid):
    - Underpayments will be reviewed and corrected for a period of up to two years from the date the discrepancy is discovered or reported. If applicable law or a collective

bargaining agreement (CBA) requires a longer period, the University will honor that timeframe.

- Overpayments (Employee Was Overpaid):
    - Overpayments may be recovered for up to one year from the date of the original payment discrepancy.
    - If the overpayment resulted from fraud, misrepresentation, or concealment, a longer recovery period may be applied in accordance with law or policy.
    - Note: In cases involving fraud or willful misconduct, the look-back period may be extended as permitted by law.
- Notification and Repayment:
    - Employees will be notified in writing of any overpayment or underpayment, including the amount, cause, and planned correction.
    - Overpayment recovery will occur through mutually agreed payroll deductions, with consideration for employee hardship and legal limitations on deductions.

SECTION V. CONFIDENTIALITY & NON-RETALIATION

All payroll corrections will be handled confidentially and respectfully. No employee will be retaliated against for:

- Reporting payroll discrepancies
- Disputing a payroll discrepancy

For questions regarding this policy, contact Human Resources at AskHR or 651-962-6510.