



Salary Overpayments Policy

New Policy: September 2022 v1.0

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Document Control

Changes History

Version	Date	Amended by	Recipients	Purpose
1.0	May 2021		All Plymouth CAST Employees	New policy

Approvals

This policy requires the following approvals:

Board	Chair	CEO	Date Approved	Version	Date for Review
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	22nd July 2022	1.0	September 2023

National/Local Policy

☐ This policy must be localised by Academies

☒ This policy must not be changed, it is a CAST/National Policy (only change logo, contact details and any yellow highlights)

Position with the Unions

Does the policy require consultation with the National Unions under our recognition agreement? ☒

Yes ☐ No ☐ If yes, the policy status is: ☒ Consulted and Approved ☐ Consulted and Not Approved

☒ Awaiting Consultation

Distribution

This draft document has been distributed to:

Position	Date	Version
All CAST Central employees, CAST Headteacher, CAST Directors, JCC		1.0

1. Vision and Values

- 1.1. Plymouth CAST is a multi-academy trust of Catholic schools which is part of the mission of the Catholic Church dedicated to human flourishing and the building of a kingdom of peace, truth and justice. The Trust is to be conducted in all aspects in accordance with canon law and the teachings of the Roman Catholic Church and at all times to serve as a witness to the Catholic faith in Our Lord Jesus Christ.
- 1.2. Our vision and values are derived from our identity as a Catholic Trust. Central to our vision is the dignity of the human person, especially the most vulnerable. Our academies are dedicated to providing an education and formation where all our pupils and young people flourish in a safe, nurturing, enriching environment. All governors in our academies are expected to be familiar with the vision, mission, values and principles of the Trust and not in any way to undermine them. They should support and promote the vision and conduct themselves at all times in school and on school business according to the vision and principles of the Trust
- 1.3. Plymouth CAST expects all its employees to recognise their obligations to each school within the Multi-Academy Trust, the public, pupils and other employees and to provide consistently high standards of education and performance at all times and in accordance with Plymouth CAST's vision, mission and principles.

2. Scope

- 2.1. This policy applies to all staff employed by Plymouth CAST, including those on a casual contract. In addition, this policy also applies to former employees who have left the Trust.
- 2.2. This Policy should be applied in conjunction with the Plymouth CAST Finance Policy and Regulatory Framework.

3. Purpose

- 3.1. This policy explains the process in relation to overpayments of salary, allowances and benefits for current employees and leavers.
- 3.2. This policy will ensure there is a consistent approach in dealing with such matters across the Trust.

4. General Principles

- 4.1. It is Plymouth CAST's obligation to pay employees correctly, however it is acknowledged that occasionally errors occur and employees are overpaid salary. The Trust has a responsibility to ensure that all overpayments are recovered using due process as outlined in this policy.
- 4.2. Plymouth CAST has a duty to its pupils and employees to protect its financial position. Any approach to recovery of overpayments will recognise that public funding is involved. Overpayments come out of the school/business areas budget

and failure to recover is likely to have implications to the Trusts service delivery and the education we will deliver to our children and young people.

- 4.3. It is an employee's contractual responsibility to check that their pay is correct and to inform the Trust immediately if they have been overpaid.
- 4.4. Plymouth CAST is committed to treating all employees with compassion and fairness. The Trust will therefore work with employees to create repayment plans that are tailored to individual circumstances. Each incident of overpayment of salary will be handled quickly and sensitively.
- 4.5. An overpayment is where an employee is paid an amount in excess of their contractual entitlement. Likely causes of overpayments could include but are not limited to:
 - 4.5.1. Leavers form not being completed or received and processed in time for Payroll cut off deadlines
 - 4.5.2. Late notification of sickness absence or other unpaid leave
 - 4.5.3. Employees not returning from Maternity leave
 - 4.5.4. Employees exceeding their annual leave entitlement when leaving employment
 - 4.5.5. An error made by Payroll
 - 4.5.6. The late or incorrect completion of a change to contract form
 - 4.5.7. Incorrect salary banding
 - 4.5.8. Incorrect payment of overtime or expenses/mileage claims
- 4.6. Once an error in payment has been identified, action should be taken as quickly as possible to rectify the error and recover the payment.
- 4.7. Arrangements for repayment of any overpayments will be made with the intention of avoiding hardship and in accordance with the provisions of the National Minimum Wage Act 1998.
- 4.8. On the rare occasion that legal action is unavoidable and in the interests of our pupils and employees and its own financial position, Plymouth CAST reserves the right to pursue debts owing to it by using the appropriate legal remedies.

5. Equal Opportunities

- 5.1. The Overpayment policy must always be applied fairly and in accordance with employment law and Plymouth CAST Equal Opportunities Policy.

6. Responsibilities

6.1. Line Managers

- 6.1.1. Line managers will review salaries and related payments charged to their school/business area and will inform HR and Payroll of any discrepancies.
- 6.1.2. Line managers will ensure their schools/business areas submit any payroll forms accurately and within the relevant deadlines to avoid overpayments.
- 6.1.3. Line managers will ensure their school/business area submit the appropriate leavers information to HR within the set deadlines to avoid overpayments.
- 6.1.4. Line managers with the support of HR are responsible for ensuring any overpayments are recovered in a timely manner.
- 6.1.5. Line managers must implement this policy fairly and equitably with their employees.
- 6.1.6. Line managers must seek clarification and support in the application of this policy as and when required.

6.2. Employees

- 6.2.1. Employees are responsible for checking their payslips to ensure that they receive the correct salary and benefits.
- 6.2.2. Employees are responsible for ensuring they immediately raise any issues in respect of their pay to their line manager or HR.

6.3. HR and School Business Managers

- 6.3.1. HR will support line managers with obtaining details of the overpayment for both current and ex-employees.
- 6.3.2. HR will communicate with both current and ex-employees in respect of overpayments.
- 6.3.3. HR will liaise with Payroll to confirm repayment schedules.
- 6.3.4. HR will ensure the appropriate individuals are informed of the payroll deadlines to prevent overpayments from occurring.
- 6.3.5. HR and School Business Managers will advise line managers in the application of this policy.

7. Rights of recovery

- 7.1. Deductions cannot normally be made from an employee's salary without their consent. Every effort will be made by Plymouth CAST to reach a fair and amicable arrangement with regards to the recovery of overpayments.
- 7.2. If an employee does not act reasonably the Trust may initiate deductions from an employee's salary without consent. In such circumstances an employee may be considered to be in breach of their Terms and Conditions of employment.

8. Terms and Conditions of Employment

- 8.1. Plymouth CAST has the right to recover any salary overpayment from an employee irrespective of how it occurred.
- 8.2. Within the Trusts' employment contracts it stipulates that our employees agree the Trust may deduct from any salary or other payment due any amount owed by the employee to the Trust, following notification.
- 8.3. In accordance with the Plymouth CAST Code of Conduct the Trust expects its employees to maintain honesty and integrity in their role.
- 8.4. Plymouth CAST expects a duty of trust and confidence from all employees who should act in good faith when overpayments occur. Failure to act in good faith is a serious matter that could lead to disciplinary action and criminal proceedings for fraud or theft.
- 8.5. A lack of good faith will be implied if an individual who was aware of an overpayment:
 - 8.5.1. Deliberately failed to bring an overpayment to anyone's attention
 - 8.5.2. Suppressed a material fact that affected the amount payable
 - 8.5.3. Deliberately failed or suppressed relevant information affecting an amount payable.

9. Discovery and notification of overpayments

- 9.1. When an overpayment is discovered, HR will endeavour to notify employees in writing within 5 working days confirming details of the overpayment.
- 9.2. If the discovery has not been made by HR, the line manager will notify HR of the overpayment as soon as it is identified. HR will notify employees as set out in point 9.1.
- 9.3. Employees will be asked to contact HR within 7 calendar days to discuss if the overpayment will be repaid in one lump sum, or by implementing a payment plan.
- 9.4. If the employee leaves the Trust before all overpayments have been recovered, the full amount of outstanding balance will be deducted from the final salary in

accordance with the Terms and Conditions of employment. Should there be an outstanding balance after deductions from the final salary, this will be subject to separate recovery.

10. Recovery for current employees

10.1. To ensure there is a fair and consistent approach to the recovery of overpayments, the following principles will be applied:

- 10.1.1. There will be one period of 'normal' pay between the discovery and correction of the overpayment. This will give the employee an indication of their usual pay entitlement and enable HR and Payroll to ensure the correct adjustments are made.
- 10.1.2. Where there is a singular overpayment of a large amount where it is obvious and reasonable to expect the employee was aware of the overpayment, recovery will normally be expected in full after one normal pay period.
- 10.1.3. For overpayments that have arisen over a period of months/years, the following repayment schedule could be applied, unless the application of the schedule will lead to financial hardship:

Overpayment amount as a % of gross monthly salary	Repayment period (following the one 'normal' pay period)
0 to 20%	1 month
20 to 30%	2 months
30 to 40%	3 months
40 to 50%	4 months
50 to 60%	5 months
60 to 70%	6 months
70 to 80%	7 months
80 to 90%	8 months
90 to 100%	9 months
Over 100%	10 months, up to a maximum of 2 years

10.2. Employees may wish to repay earlier than the suggested schedule and would be encouraged to do so.

- 10.3. Quicker repayment may also be achieved through annual pay rises and/or the awareness of pay increments, which will increase the repayment amount.
- 10.4. Where an employee is not happy to repay the monies within the suggested payment schedule, a meeting should be arranged between the employee, the line manager and the SBM/HR representative to discuss and agree a repayment plan. The employee would be entitled to be accompanied by a union representative or workplace colleague.
- 10.5. The aim of the meeting is to discuss the employee's individual circumstances with a view of agreeing a repayment plan that is acceptable to all parties, taking into account the employee's financial circumstances.
- 10.6. The Trust accepts that any repayment plan should not reduce the employee's salary to a figure which is below the National Living Wage. The repayment amount should not be more than 30% of the employee's average net monthly pay.
- 10.7. If there are any changes in personal circumstances that means an employee is no longer able to continue with their repayment plan, employees should immediately raise this with their line manager. This could be, for example, due to sickness absence or family friendly leave.
- 10.8. If a repayment agreement cannot be reached with the employee, the Trust HR Manager and line manager may decide to determine an appropriate repayment plan without the need for the employees' agreement. If this is the case, the employee will be written to with the details of the repayment plan. This will include the monthly repayment amounts to be deducted, the length of the repayment plan and when deductions will commence. This will be a last resort in the eventuality a mutual agreement cannot be made.

11. Recovery for leavers

- 11.1. It is the responsibility of the line manager, with the support of administrative staff where applicable, to ensure that leaver notifications are sent to HR as soon as they are aware of an employee leaving the Trust.
- 11.2. If an overpayment occurs and the employee has already left the Trust, HR will write to the individual informing them of the overpayment.
- 11.3. The leaver will be advised in writing the details of the overpayment and how this can be repaid. HR will make efforts to recover the overpayment with the former employee immediately but will take regard to personal circumstances where possible.
- 11.4. Where an overpayment is discovered as an employee is about to leave, the relevant procedures as set out within section 10 will be followed into which:
 - 11.4.1. The net value of any balance outstanding, after the maximum amount possible has been deducted (to leave no final pay), will be notified to the

employee by HR within one month of leaving. The letter will inform the former employee that the Trust expects the balance to be repaid and enclose details of the relevant amount and how to pay this.

- 11.5. The Trust reserves the right to refer matters to a debt collection agency or seek legal action if repayment is not received within an appropriate timescale.

12. Review

- 12.1. The content of this policy and procedure may be subject to revision from time to time following consultation with the recognised trade unions.

- 12.2. History of changes

Date	Page	Details of the change	Agreed by

Policy to be reviewed by the Plymouth CAST Board in consultation with the JCC in (date) or when legislation changes or operational reasons arise.