Overpayment

An overpayment occurs when an employee has a retroactive reduction in hours, hourly rate or semi-monthly salary.

During the payroll process, Payroll Shared Services will create an overpayment advance/loan for the employee which is posted as salary to the department/units control salary cost center.

The department/unit will use the Overpayment Report in Business Warehouse to review overpayments for their department/unit, if any.

When the department/unit has an employee with an overpayment, the department/unit contacts the employee to determine how the employee will be repaid. Employee can repay by a check payable to the employer or through payroll deductions.

If the employee repays by check, the employee will generally repay 70% of the gross amount (to approximate the net amount). Send the check to Payroll Shared Services.

If an employee chooses to repay by payroll deduction, the Overpayment Agreement form is completed by the employee and the original signed hard copy is retained by the department/unit. The department/unit emails Payroll Shared Services at payroll@jhu.edu with the electronic version of the agreement.

Payroll Shared Services sets up the repayment as a deduction.