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AM 205-4-1

m **Notification of Employee Indebtedness**
(Memo to the Employee)

FROM (Agency Representative): _____

TO (Employee): _____

DATE: _____

RE: Employee Indebtedness

Following consultation with the Central Payroll Division (“CPD”), we have determined that you owe _____ due to overpayment. Due to the nature of your employment and the type of debt owed, please see Section I: Repayment Option #___ below for your available repayment options.

You have ten (10) business days to notify CPD in writing if you wish to contest the validity of the debt owed. You must provide an explanation and documentation to substantiate your claim.

Section I: Repayment Options

1) If you are a temporary employee:

In accordance with City policy, *AM-204-4 Employee Indebtedness*, the debt will be recovered by:

- Repayment of the net amount of \$ _____ by personal check payable to the Director of Finance.

- Recovery of the full amount from you next pay(s).

Please check the appropriate box above and sign Sections II and III to acknowledge this notification.

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2) If you are an employee who was overpaid by 5% or less (but not exceeding \$100) of your weekly/bi-weekly gross salary or average regular earnings:

The following repayment options are available to you:

- Since your overpayment equals 5% or less (but not exceeding \$100) of your weekly/bi-weekly gross salary or average regular earnings, the overpayment will be deducted from your pay for a period ending _____.
- You may return the erroneous check, and the CPD staff will issue the appropriate replacement check (usually within one business day).
- You may reimburse the net amount (\$_____) of the overpayment by personal check made payable to the Director of Finance.

Please sign Sections II and III to acknowledge this notification.

3) If you are an employee who was overpaid by more than 5% or more than \$100 of your weekly/bi-weekly gross salary or average regular earnings:

The following repayment options are available to you:

- You may return the erroneous check, and the CPD staff will issue the appropriate replacement check (usually within one business day).
- You may reimburse the net amount (\$_____) of the overpayment by personal check made payable to the Director of Finance.
- You may agree to the recovery of the overpayment in full by payroll deduction from your next pay.
- You may request a repayment plan by payroll deduction – the minimum amount of the deduction is \$_____.

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“Cash-in” of accrued vacation or personal leave days (if overpayment exceeds \$1,000).

Please check the appropriate box above and sign Sections II and III to acknowledge this notification.

Section II: Acknowledgement

If, after ten (10) business days from when the Agency notified the employee of an overpayment, CPD has not received a letter of protest, a signed installment election form, the uncashed erroneous paycheck, or an employee’s personal check or money order for the net amount of the overpayment, CPD will proceed with recovery via payroll deduction. Recovery in this circumstance will be made until the overpayment is fully satisfied.

Upon collection of overpayments, CPD staff will correct year-to-date records.

Employee’s Signature: _____ **Date:** _____

Original to Employee
Employee’s File
CPD Copy

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Section III: Installment Election Form

Employee's Name (Printed): _____

I have selected, by initialing my name, the option below for repayment of my overpayment:

_____ **Option 1: Temporary Employee**

_____ **Option 2: Employee – Overpayment by 5% or less (but not exceeding \$100)
of Weekly/Bi-Weekly Gross Salary or Average Regular Earnings**

_____ **Option 3: Employee – Overpayment by more than 5% or more than \$100
(but not exceeding \$100) of Weekly/Bi-Weekly Gross Salary or Average
Regular Earnings**

I authorize the City of Baltimore ("City") to deduct a total of \$_____ from my next
_____ payroll check(s), to repay an overpayment of salary that was received on _____,
for pay that was not due.

Employee's Signature: _____ **Date:** _____

Agency Representative: _____ **Date:** _____