

Repaying Payroll Overpayments – Guide for Employees

Payroll overpayments must be repaid to the University of Illinois System. For tax purposes, it is in your best interest to make repayment in the same calendar year you were overpaid.

Overpayment Repayment Guide

Overpayment Notification

An overpayment notification from University Payroll & Benefits (UPB) will be sent to you detailing the amount of the overpayment along with a deadline to respond by. You will receive one of these notifications:

- a) **Gross Overpayment Notification.** Gives the gross overpayment amount before taxes are taken out. This amount will be subtracted from your pay, automatically adjusting your tax withholding for that payment.
NOTE: Do not send a check or money order for the gross overpayment amount found on the Gross Overpayment Notification. You must contact UPB to request the net overpayment amount first.
- b) **Net Overpayment Notification.** Gives the net overpayment amount adjusted for taxes. Net is used:
 - When you are no longer active (not being paid)
 - When the overpayment occurred in a previous calendar year
 - When you request to make repayment in the form of a personal check or money order.

If you were overpaid on multiple pay periods, you will receive an Overpayment Notification Summary.

Reductions of pay for active employees

If you are actively employed with the U of I System, the gross amount overpaid will be deducted from your paycheck earnings. An overpayment notification will be sent with a deadline date:

- If the overpayment amount is 20% or greater than your normal earnings, the notification will give you a 2-week deadline before deductions begin.
- If the overpayment is less than 20% of your normal earnings, UPB will collect on the next available pay.

Repayment by personal check or money order

Active employees wanting to repay with personal check or money order must contact UPB before the deadline to request a net overpayment amount.

Inactive or separated employees must make repayment with a personal check or money order. Please pay the net overpaid amount indicated on the Net Overpayment Notification.

Repayment agreement

You may request a repayment agreement to modify the repayment schedule. Contact UPB Customer Service to complete a repayment agreement before the deadline on your notification. Repayment agreements will not be approved if the proposed schedule is unreasonable or results in repayments crossing calendar years.

Inactivity

Repayment inactivity will result in efforts to contact you to schedule your repayment. If collection attempts are not successful, the debt will be sent to the Illinois State Comptroller (also called state offset).

Any Illinois wages, tax refunds, lottery winnings, or other state payments will be intercepted by the comptroller and sent to the U of I System to satisfy the overpayment debt.

Immediate credit

Each repayment will immediately be credited to the overpayment.

Notifications

- An Overpayment Closed Notification will be sent upon satisfaction of the overpayment debt.
- The current balance will be communicated to inactive or terminated employees periodically.

Contact UPB Customer Service: paying@uillinois.edu / UIC (312) 996-7200 / UIUC (217) 265-6363 / UIS (217) 206-7144