

## **Disciplinary Action Policy for Failure to Pay Money Owed to Department**

### **Purpose**

As any responsible employer, the department makes every effort to ensure employees receive their paychecks in a timely manner and are paid the correct amount. However, in an agency that is as large, diverse and expansive as DHHS, the timely and accurate processing of payroll information can sometimes be difficult to accomplish. Through no fault of their own, an employee may be overcompensated or may receive an agency check in place of a regular payroll check when a payroll deadline has not been met. In such case, the employee is put in an unenviable position of owing and having to reimburse the department money. The purpose of this policy is to ensure that money owed by an employee to the department is reimbursed either in full or within an agreed upon amount and time frame upon receipt of the employee's first regular paycheck following:

- .. a notification by the division/institution to the employee that an overpayment in a regular paycheck occurred **or**
- .. an acceptance of an agency check in place of a regular paycheck by the employee for the previous pay period worked. (Full restitution is required for agency checks if agreed to in writing by the employee at the time an agency check is issued in lieu of a regular paycheck. Payment or installment plans **are not** allowed since the amount received in an agency check is in lieu of a payroll check.)

The responsibility falls on each division/institution human resources manager's office to make reasonable efforts to notify an employee of the amount owed so to resolve the matter before reaching the point of disciplinary action.

### **Authority**

By authority of GS 143-553, an employee that owes the State money "must make full restitution of the amount owed as a condition of continuing employment." In those cases where an employee receives an overpayment in their regular paycheck or receives in place of a regular paycheck an agency check and fails to pay the money back in full as provided herein, the department's disciplinary process may be invoked. Partial payment or monthly payment plans shall not be allowed if the total amount owed is no more than 10% of the employee's net disposal earnings in a single pay period. Employees

that owe amounts more than 10% of their net disposable earnings due to overpayments may make arrangements to make payments on their debt as authorized by GS 143-553.

### **Procedures**

An employee who fails to reimburse in full or to make arrangements for the payment on the money owed to the Department after having been given a reasonable opportunity to do so in accord with this policy and GS 143-553 shall be dismissed pursuant to state and department disciplinary policy and procedures.

If dismissal procedures have been instituted and the employee agrees to pay the amount owed in full or make the first of agreed upon monthly payments, he/she must do so by the end of the work day in order to ensure their continued employment. As an option to the employee, he/she may elect to sign an authorization to have no less than 10% of their net disposable wages withheld from their regular paycheck until the balance owed is paid in full. Otherwise the employee shall pay the amount by cash or check to the appropriate party on a monthly basis.

Failure of the employee to make monthly payments after the 5th day of receipt of their regular paycheck shall result in dismissal procedures being reinstated. Should the employee offer payment, the full or agreed upon monthly payment amount owed by the employee shall be paid by the end of the work day to continue their employment.

An employee may appeal a dismissal for failure to make restitution hereunder. Employees subject to the State Personnel Act (GS Chapter 126) may file a Step 2 appeal under Directive #33(Employee Grievance Policy). Teachers may file an appeal pursuant to GS 115C-325. For further information contact your division or institution human resources manager's office.