



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2005-41

TO: All ISIS HR Agencies

FROM: Jena W. Cary
Director

SUBJECT: Rule on Recoupment of Overpayments

Agencies are reminded that the rule regarding recoupment of overpayments becomes effective March 20, 2005. The final rule will be published in the March 20, 2005 edition of the [Louisiana Register](#). The rule, which was initially published as a [Notice of Intent](#) in the December 20, 2004 *Louisiana Register*, was promulgated under the authority of LRS 42:460.

The purpose of the rule is to establish procedures for state agencies to follow when state employees have been overpaid. **State agencies are to develop specific policies regarding recoupment of overpayments, incorporating this rule into their policy.** Employees must be advised of the agency policy once it is finalized. At that point, the agency policy can be used as authority for the recoupment of overpayments. Agencies do not need to send a copy of the agency policy to OSUP.

Note: This rule applies to all agencies of the 20 major departments of state government and the Executive Office or any subdivision thereof and any other entity paid through one of the 20 major departments of state government or the Executive Office.

The following changes were made to the rule since the publication of the notice of intent (additions indicated by underscores and deletions indicated by strikethroughs):

- The Executive Office was added to the definition of "Agency".
- §705.A. was changed as follows:
 - Employees must be notified, ~~in writing~~, immediately once an agency determines that an overpayment has been made, ~~and they must be advised~~ Written notification must be provided prior to withholding the recoupment from a future payment(s)...

- The following two items were added under §705.A.:
 - reason for overpayment
 - agency procedure by which the proposed recoupment can be disputed.
- §713.A. was changed as follows:
 - Prior to submitting job offers to prospective employees, a signed statement must be obtained from the prospective employee acknowledging his/her understanding of the agency recoupment policy and that, if overpaid, the overpayment will may be recouped in a future pay period after notification from the agency in accordance with the agency policy...
- The following statement from §715.A.4. was deleted:
 - ~~If agreed upon by the agency, the amount recouped in error must then be repaid to the employee.~~

Questions should be directed to Andrea Hubbard at (225) 342-0715.

JWC:APH/kmb