CLAIMS (Wage type /561)

When an agency EA user makes a change to an employee's master data for an effective date(s) that falls in a prior pay period(s), the system automatically updates the Earliest Master Data Change field for that employee. The next time payroll is processed, the payroll result that includes this Earliest Master Record Data Change date is recalculated, as well as all payroll results subsequent to that period. If the system determines that there has been an overpayment, the system will then apply current period wages against the overpayment.

- If current period wage is adequate from which to recover the total overpayment, the system is adjusted accordingly and a payment is issued to the employee for only the remaining difference.
- If current wage is inadequate to cover the complete overpayment, the system applies all current wage against the overpayment and then sets up a claim (WT /561) for the balance.   In subsequent pay period(s), the wages earned will be applied to the claim until the claim balance is zero.

If an employee receives no wages in the current period, the claim (/561) is still created. The only way the system will be able to recoup the overpayment amount will be if the agency owes the employee additional pay, such as a leave payout, that will be paid out in a subsequent pay period.

There are some funds that the system will automatically recover. This is based on wage types and the specifics of a claim. The amount of the employee's retirement contribution on the overpaid wages is almost always the only funds recovered when the claim is initially established. Wages earned in subsequent pay periods would be our only hope to recover additional money.

ISIS HR can recover funds other than retirement if the employee had deductions from their pay for wage types which are retro relevant (e.g., health and life plans). However, this type of recovery only occurs for separated employees. Additionally, for the system to recover these funds, the claim has almost always resulted due to a retroactive separation where pay for one or more pay periods must be recovered.

- For example, if an employee was paid for period 1 and 2 and then the agency processed a separation action with an effective date of 12/23 (end of period 26), the insurance premiums withheld from the employees check in period 1 and 2 would be recovered.

Any claim balance that exists at the end of the calendar year for a separated employee or an active employee on LWOP must be cleared. Once this action is taken, a W-2 will be generated and the employee's taxable income will then reflect only the portion of the original overpayment which has NOT been successfully recovered.

In the case of active employees, the remaining money owed will be set back up at the beginning of the next calendar year using wage type **0111**. This is necessary so that if the employee does have earnings anytime during that next calendar year, this money can be recovered.

In the event a claim must be cleared at the end of a calendar year for a separated employee, their record will be locked to prevent any attempts by a user agency to 1) recalculate a pay period prior to the date the claim was cleared or 2) to process pay for a period subsequent to the clearing date. A notification of this lock will be output as an error message on ZP45 (Potential Payroll/FI Error Audit Report). The message text will read: ***CLAIM/ARRS/GA OUTSTANDING. CALL HELP DESK.*** Users will typically encounter this message when rehiring an employee that separated from State service with an unresolved claim.

Examples of Changes to Master Data that can cause claims:

Time File Changes

1. An employee is set up as negative time entry. The employee has no leave balance or is not in a leave earning position such as a restricted appointment. The time keeper makes no entry on the time file, therefore the employee is paid for a full 80 hours. In a future pay period, the agency realizes that the employee did not work two days of the period, however LWOP was not entered. EA enters 16 hours of LWOP on the time file record for the applicable period. When payroll runs, the system calculates the employee has been overpaid by 16 hours.

2. At the end of period 1, an employee has a 10 hour annual leave balance. In period 2, the employee takes 8 hours of annual leave. In period 3, the agency realizes 8 hours of leave taken in period 1 was not entered. EA enters the 8 hours of annual leave taken in period 1. The system allows this entry as the employee has a balance of 10 hours, However, when the system adjusts the leave balance, the balance in period 2 is no longer sufficient to cover the 8 hours of leave taken that was entered in that period. The 8 hour leave entry in period 2 must be deleted and changed to a combination of annual leave and leave without pay. When payroll runs, the system will calculate the employee was overpaid in period 2. Note: If the EA does not delete the original annual entry from period 2 as we instruct, when time eval is rerun, the 2nd period annual leave entry is thrown out by the system (since leave is no longer available) and this employee will appear on ZT04 .

3. An employee is set up as positive time entry. The timekeeper enters attendance codes on the time file and the employee is paid accordingly. The employee has little or no leave balances. In a future pay period, the agency realizes the employee was not at work on several occasions during the pay period and deletes the attendance codes on the time file for the applicable period. When payroll runs, the system will calculate the employee has been overpaid for the number of hours that were deleted.

4. An employee (with 300 or less hours of annual leave) has been separated by the agency and the leave payout to the employee has also been processed. In a subsequent pay period, the agency realizes that the employee took some leave their last week with the state that was not entered on the time file. To enter retro leave, EA must first reduce the original IT416 by 8 hours and save and then they can enter the 8 hours of annual leave on the time file for the applicable prior period. The reduction of the original number of hours associated with the leave payout will result in a claim, as the employee has been overpaid for 8 hours.

Retroactive Separations:

An employee is set up as negative time entry. No entries are entered on the time file for pay period 1; therefore the employee is paid for the full 80 hours. In pay period 2, EA process the separation action with an effective date of 12/23. When pay period 2 is run, the system calculates the employee was overpaid for all of pay period 1 since the separation date is at the end of pay period 26.