

POLICY ITEM – FIRST READING NO.

Approval of Amendment to Policy Concerning Wage and Hour Laws – DEAB
(LOCAL)

The College District takes reasonable steps to ensure it compensates employees promptly and correctly; however, errors can and do occur on occasion. To protect against and ensure prompt recovery and correction of any overpayment or underpayment that may occur in a payroll cycle, the Chancellor recommends the following revisions to local policy

Effective Date: Upon Approval

LOCAL POLICY

EXPLANATORY NOTES

DEAB – Payment
of Wages

Proposed revisions would establish College District policy regarding the responsibility and recovery of payroll overpayments and underpayments, including but not limited to the potential consequences for failure to repay an overpayment of wages.

COMPENSATION PLAN
WAGE AND HOUR LAWS

DEAB
(LOCAL)

Compensatory Time At the College District's option, nonexempt employees may receive compensatory time off, rather than overtime pay, for overtime work. The employee shall be informed in advance if overtime hours will accrue compensatory time rather than pay.

Accrual Compensatory time earned by nonexempt employees may not accrue beyond a maximum of 60 hours. If an employee has a balance of more than 60 hours of overtime, the employee shall be required to use compensatory time or, at the College District's option, shall receive overtime pay.

Use An employee shall use compensatory time within the work period (month) in which it is earned or the next work period immediately following. If an employee has any unused compensatory time remaining at the end of a fiscal year, the employee shall receive overtime pay.

Compensatory time may be used at either the employee's or the College District's option. An employee may use compensatory time in accordance with the College District's leave policies and if such use does not unduly disrupt the operations of the College District. The College District may require an employee to use compensatory time when in the best interest of the College District.

Payment of Wages The College District takes all reasonable steps to ensure it compensates employees correctly and promptly, in accordance with their position, wage, and entered and approved time each payroll cycle.

Responsibilities Each department of the College District is responsible for managing the financial resources of their respective business unit and maintaining an effective system of internal controls to monitor payroll transactions and prevent payment errors.

Employees are expected to accurately report time worked, review for accuracy their payroll payments each pay period and promptly report to their department or Payroll Services any discrepancies in their compensation, including but not limited to any overpayment or underpayment of wages.

Overpayment of Wages An overpayment of wages occurs when a College District employee receives compensation in excess of the amount owed for any given pay period. Overpaid wages may be in the form of an employee's base salary or hourly wages, supplemental duties or stipend pay, or any other payments or form of compensation to which the employee is not entitled. No College District employee is entitled to retain compensation in excess of the amount earned or to which they are entitled. Overpayments are legal debts to the

COMPENSATION PLAN
WAGE AND HOUR LAWS

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Repayment of
Overpaid
Wages

College District and must be repaid by the employee, irrespective of the origin, error or amount.

In the event an employee or department identifies or becomes aware of an overpayment, they must immediately provide written notice of the overpayment to Payroll Services to initiate the repayment process. It is expected that the employee and the department will work with Payroll Services and Human Resources to recover the overpaid funds and ensure that any subsequent payments to the employee do not result in additional overpayments.

For purposes of this policy, wage overpayments will be considered an advance of future wages payable to the employee and, in accordance with applicable law, will be deducted in whole or in part from the next available paycheck of the employee until the overpaid amount is fully repaid. Each employee of the College District is expected to sign a repayment agreement authorizing such a deduction in the event of an overpayment of wages.

If an overpaid employee separates from the College District before the overpaid amount is repaid in full, the balance of the overpayment will be deducted from the employee's final paycheck and/or vacation payout. In the event the employee's final paycheck and/or vacation payout is insufficient to recover the balance of the overpayment, the employee will remain liable for the debt, which will be collected in accordance with applicable laws. Unless otherwise approved by the Chief Financial Officer, all overpayments must be repaid in the same calendar year in which the overpayment occurred.

Failure to respond to efforts by the College District to recover an overpayment, comply with a repayment plan or refusal to repay an overpayment of wages, may result in disciplinary action up to and including termination of employment and/or any other legal remedy to which the College District may be entitled.

Underpayment of
Wages

If the College District discovers that it has underpaid a College District employee or a College District employee believes they have been underpaid in a payroll cycle, Payroll Services will review the employee's compensation for the given cycle. If Payroll Services confirms an underpayment occurred, the underpayment will be resolved in the next available payroll cycle and in accordance with applicable law.