

Overpayments and Underpayments of Salary

Subject	Personnel
Web Link	https://www.montana.edu/policy/hr_policies/pdfs/overpaymentsandunderpaymentsofsalary.pdf
Effective Date	January 1, 2019
Revised Date	January 15, 2025
Review Date	January 2028
Responsible Party	University of Human Resources

Table of Contents

[Scope](#)

[100.00 Introduction and Purpose](#)

[200.00 Employee Responsibility](#)

[300.00 Overpayment](#)

[400.00 Underpayment](#)

Scope

This policy applies all employees

100.00 Introduction and Purpose

University Human Resources and departments work to ensure employees are paid correctly. However, there are occasions in which an employee may be overpaid or underpaid. This policy outlines how inaccurate salary payments will be resolved.

200.00 Employee Responsibility

Employees are expected to check their paystub records for accuracy. Any potential inaccuracies regarding compensation, leave accruals, or deductions should be reported to University Human Resources as soon as it is discovered.

300.00 Overpayment

As a state agency, the university is required to recover overpayments of public funds. Therefore, employees must repay the full amount of any overpayment of salary regardless of the cause of overpayment or when it is discovered. If University Human Resources discovers, or is notified, an employee has been overpaid, it will notify the employee, in writing, of the amount of overpayment and the method by which the overpayment will be recouped.

- a. If the employee believes the amount of overpayment is incorrect, they must notify University Human Resources. Once the amount of overpayment is determined, University Human Resources will proceed with collection.
- b. Overpayments may be collected by using one of following methods:
 - i. Whenever possible, overpayments will be collected by deduction from the employee's subsequent paycheck(s). The general guideline is that an overpayment will be collected over the same number of pay periods the employee was overpaid.
 - ii. An employee can elect to repay any overpayment by writing a personal check, payable to MSU, or through any other approved form of electronic repayment for the net overpayment.
- c. University Human Resources will work with the affected employee to recover the overpayment without causing undue financial hardship to the employee.

400.00 Underpayment

If an employee is underpaid, the department may request University Human Resources:

- a. Pay the employee on the next available biweekly payroll, or
- b. Issue a special check to the employee one week after payday. A service fee may be assessed to the employee's home department if the error originated outside of UHR.