



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

September 14, 2006

EXECUTIVE MEMORANDUM

MEMO NO. 06-03

TO: All Department Heads

SUBJECT: Revised Policies and Procedures for Salary and Wage Overpayment Recovery

This memorandum supercedes the policies and procedures issued in Executive Memo No. 96-16 dated October 1, 1996 and the Department of Human Resources Development's memorandum entitled, "Implementation of Compensation Overpayment Provisions Applicable to BU 1, 2, 3, 4, 9, 10, and 13 Employee" dated October 18, 1999 to incorporate the addition of Section 78-12 (f), (g), and (h), Hawaii Revised Statutes (HRS).

HRS Section 78-12 (f) requires that overpayment recovery begin immediately even if a contested determination of indebtedness is pending and allows the use of appropriate leave or compensatory time credits to be used to offset any indebtedness. HRS Section 78-12 (g) requires the payment of interest at the rate specified in Section 103-10, HRS, in cases where the determination of indebtedness was contested and is subsequently found to be incorrect. HRS 78-12 (h) specifies that an employee must contest the determination of indebtedness through the grievance process if the applicable collective bargaining agreement includes salary overpayment provisions and that such collective bargaining agreement may not include any provision inconsistent with subsections (f) and (g).

Any repayment plan currently in effect will not be changed by these revised policies and procedures. For employees who request that any remaining amount of indebtedness be offset by applying the current value of appropriate leave or compensatory time credits posted in the employee's respective accounts as balances that would otherwise be payable in cash upon separation from service, procedures previously detailed in Comptroller's Memorandum No. 1999-33 dated November 4, 1999 have been included in this memorandum.

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This memorandum should be disseminated to all departmental staff involved in the recovery of overpayments. If there are any questions regarding this memorandum, please call Sheila Walters of the Department of Accounting and General Services' Pre-Audit Branch at 586-0650.

LINDA LINGLE
Governor

Attachments

- Salary and Wage Overpayment Recovery (Policies and Procedures)
- Exhibit A-1 Notification of Salary or Wage Overpayment
- Exhibit A-2 Notification of Salary or Wage Overpayment
- Exhibit B Overpayment Worksheet
- Exhibit C Response to Salary or Wage Overpayment Notice
- Exhibit D Delivery Certification for 15 Day Notification Period
- Exhibit E Salary Assignment/Cancellation (SAFORM D-60)
- Exhibit F Salary Assignment/Cancellation (SAFORM D-60)
- Exhibit G Agreement to Apply Vacation and/or Compensatory Time Off Credits Value to Repay Salary or Wage Overpayment

- c: Hawaii Government Employees Association
- United Public Workers
- Hawaii Fire Fighters Association