# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PURPOSE</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>APPLICATION</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>GUIDELINES</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>DELEGATION</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>REFERENCES</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>SUPERSEDES</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>POLICY</td>
<td>4</td>
</tr>
<tr>
<td>8.1</td>
<td>Identifying overpayments</td>
<td>4</td>
</tr>
<tr>
<td>8.2</td>
<td>Suspected official misconduct – overpayment related</td>
<td>4</td>
</tr>
<tr>
<td>8.3</td>
<td>Recovery of overpayments</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>APPLYING THE POLICY</td>
<td>5</td>
</tr>
<tr>
<td>8.1</td>
<td>Automated repayment process</td>
<td>5</td>
</tr>
<tr>
<td>8.2</td>
<td>Standard automated repayment rate</td>
<td>6</td>
</tr>
<tr>
<td>8.3</td>
<td>Alternative repayment plans</td>
<td>6</td>
</tr>
<tr>
<td>8.3.1</td>
<td>Early repayment</td>
<td>6</td>
</tr>
<tr>
<td>8.3.2</td>
<td>Financial hardship</td>
<td>7</td>
</tr>
<tr>
<td>8.3.3</td>
<td>Case management</td>
<td>7</td>
</tr>
<tr>
<td>8.4</td>
<td>Responsibilities – employees, line managers and Payroll Services</td>
<td>8</td>
</tr>
<tr>
<td>8.5</td>
<td>Overpayments Review Group</td>
<td>8</td>
</tr>
<tr>
<td>8.6</td>
<td>Recovery on ceasing employment</td>
<td>8</td>
</tr>
<tr>
<td>8.7</td>
<td>Employee complaints</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>DEBT WAIVER</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>TAXATION</td>
<td>9</td>
</tr>
<tr>
<td>10.1</td>
<td>Taxation implications</td>
<td>9</td>
</tr>
<tr>
<td>10.2</td>
<td>Calculation of taxable value of loan fringe benefit</td>
<td>11</td>
</tr>
<tr>
<td>10.3</td>
<td>Debt waivers – tax impact</td>
<td>11</td>
</tr>
<tr>
<td>11</td>
<td>TRANSITIONAL ARRANGEMENTS</td>
<td>11</td>
</tr>
<tr>
<td>11.1</td>
<td>Historic overpayments recovery process</td>
<td>11</td>
</tr>
<tr>
<td>11.2</td>
<td>Standard historic overpayments recovery repayment schedule</td>
<td>12</td>
</tr>
<tr>
<td>11.3</td>
<td>Escalation process</td>
<td>13</td>
</tr>
<tr>
<td>11.4</td>
<td>Management of simultaneous overpayments</td>
<td>13</td>
</tr>
<tr>
<td>12</td>
<td>DEFINITIONS</td>
<td>14</td>
</tr>
</tbody>
</table>

Please note that any material printed is regarded as an uncontrolled copy. It is the responsibility of the person printing the document to refer frequently to the Queensland Health Internet site for updates.
ATTACHMENT 1. Responsibilities - Employees, Line Managers and Payroll Services
1 PURPOSE

To outline the process for the recovery of overpayments from employees.

2 APPLICATION

This policy applies to all employees.

This policy does not apply to:

- contract staff or staff engaged through private agencies who are not directly paid by the Queensland Health payroll system
- situations when an employee has deliberately obtained monies from the employer that they have no entitlement to receive.

3 GUIDELINES

Guidelines may be developed to facilitate implementation of this policy. The guidelines must be consistent with this policy.

4 DELEGATION

The ‘delegate’ is as listed in the Departmental of Health Human Resource (HR) Delegations Manual and Hospital and Health Services Human Resource (HR) Delegations Manual – HRM Functions of the Director-General, as amended from time to time.

5 REFERENCES

- Industrial Relations Act 1999
- Industrial Relations Regulation 2011
- Fringe Benefits Tax Assessment Act 1986
- Financial Accountability Act 2009
- Requirements for Reporting Official Misconduct HR Policy E9 (QH-POL-218)
- Grievance Resolution HR Policy E12 (QH-POL-140)
- Separation of Employment HR Policy H1 (QH-POL-227)
- Queensland Health Financial Management Practice Manual (FMPM)
- Financial delegations manuals relevant to Department of Health and Hospital and Health Service employers
- Standard Practice 1 – Wage Overpayments (CorpTech, Department of Public Works)
- Public Sector Industrial and Employee Relations (PSIER) Circular No. C1-11 Arrangements for salary packaging from 1 April 2011 (as amended from time to time)
- Code of Conduct for the Queensland Public Service

6 SUPERSEDES

- IRM 6.1-1 Recovery from Employees of Amounts Overpaid – Due to Absences
7 POLICY

An employer is to pay employee wages and related entitlements in accordance with relevant awards, industrial instruments, administrative arrangements and contract of employment provisions. From time to time, an employee may inadvertently be overpaid. Overpayments are not intentional and can occur for a number of reasons.

An employer has a legislative requirement to recover any monies overpaid to an employee or former employee, in accordance with the provisions of the Financial Accountability Act 2009 (section 73), Industrial Relations Act 1999 (sections 396 and 396A) and Industrial Relations Regulation 2011 (sections 12 and 12A).

7.1 Identifying overpayments

Overpayments may occur for various reasons. These include, but are not limited to:

- delay in submission or processing of payroll related data such as attendance variation and allowance claims (AVACs), for example, a change in hours or an absence from work
- delay in processing of an employee’s separation
- incorrect or misinterpretation of advice
- administrative or data entry error.

Such overpayments can be identified in various ways ranging from internal review, audit processes, processing of outstanding payroll forms and identification by individual employees that an overpayment exists.

7.2 Suspected official misconduct – overpayment related

Situations when there is a suspicion that an employee may have inappropriately obtained monies from an employer to which they were not entitled are to be referred to the Ethical Standards Unit (ESU) and, where appropriate, to the Crime and Misconduct Commission (CMC) and the Queensland Police Service (QPS) in accordance with Requirements for Reporting Official Misconduct HR Policy E9.

7.3 Recovery of overpayments

The Industrial Relations Act 1999 was amended effective 14 August 2012 to provide for the recovery of overpayments to employees by deducting an amount from an amount payable to the employee by the employer in relation to employment, e.g. wages.

To facilitate the recovery of overpayments under section 396A of the Industrial Relations Act 1999, an automated repayment process has been implemented via the Queensland Health payroll system.

Automated repayments will be calculated by the system and payroll deductions will be automatically made in relation to overpayments, other than where an employee and the employer have arranged an alternative repayment plan (refer to section 8.3).
The automated repayment process only applies to new overpayments that occur on or after 14 August 2012.

For overpayments that occurred prior to 14 August 2012, refer to the transitional arrangements in section 11.

When an overpayment occurs in a lump sum and has or should have been readily detected, it is expected that the employee repay the overpayment in a lump sum without delay.

Section 396C of the *Industrial Relations Act 1999* provides for the direct recovery of overpayments from an employee’s final payment when they cease employment. Employee consent is not required for this to occur (refer to section 8.6).

8 APPLYING THE POLICY

8.1 Automated repayment process

Notification
When an overpayment is identified, the employee will be notified via a payslip message. The payslip message will appear at the bottom of the payslip in the same pay fortnight in which the overpayment debt is raised. This emphasises the importance for employees to check their fortnightly payslips.

Employee contact
Following the payslip notification of the overpayment, the employee has a two week (14 days) timeframe, i.e. by the next fortnightly Wednesday pay date, in which to make contact with Payroll Services to:

- clarify any concerns regarding the overpayment
- discuss alternative repayment options (e.g. for earlier or later repayment due to individual circumstances).

The automated repayment process creates an automatic payroll deduction in accordance with the standard automated repayment rate. Unless an employee contacts Payroll Services to request a review of the overpayment or to discuss an alternative repayment plan, automatic payroll deductions will commence in the timeframes outlined in this policy.

Commencement of automated repayments
When no contact is made by the employee within the 14 days timeframe, or when contact results in the employee receiving a satisfactory response in relation to their overpayment query, automated repayment recovery action will commence in the next pay fortnight, i.e. two pay periods (28 days) following the initial payslip notification of the overpayment. Automated repayments will continue each fortnight until such time as the debt has been repaid. Payroll deductions will be made in accordance with the standard automated repayment rate (refer to section 8.2).

Where the employee and the employer have entered into an alternative repayment plan (refer to section 8.3), fortnightly payroll deductions will be made in accordance with the amount prescribed in the approved plan.
Where the employee’s query cannot be answered within the 28 days timeframe, the first fortnightly payroll deduction will commence in the pay period immediately after the matter is answered.

8.2 Standard automated repayment rate

The automated repayment rate is calculated at 15% of the employee’s gross base salary based on the salary received in the fortnight the repayment plan commences. The amount calculated will be deducted from each pay period in relation to recovery of the employee’s overpayment debt, until the debt is fully repaid.

The automated repayment amount remains constant until the overpayment is repaid in full and is not automatically adjusted when an employee’s rate of pay changes (for example, end of higher duties, change of eligibility for shift allowances, etc). If an employee’s rate of pay changes after the automated repayment amount has commenced and they would like to alter the repayment amount in line with their changed base rate of pay, the employee may contact Payroll Services to discuss an alternative repayment plan.

8.3 Alternative repayment plans

Automated repayments will be calculated by the system and payroll deductions will be automatically made in relation to overpayments, unless the employee has contacted Payroll Services to discuss alternative arrangements.

An employee has the option to discuss an alternative repayment plan with Payroll Services in cases when the employee wishes to repay the overpayment debt earlier, in cases of financial hardship, or to make arrangements to ensure continuity of repayments. An employee is expected to repay the full amount of the overpayment at the earliest opportunity.

When a repayment rate has been established with an employee and their financial circumstances change significantly, they may discuss paying a lesser or greater fortnightly amount in finalising their overpayment. In the case where it is a lesser amount, the employee is to submit an application for consideration of financial hardship to Payroll Services, including the proposed new repayment terms, with the relevant documentary evidence to support the request. Payroll Services is responsible for either assessing the application or forwarding it and other relevant information to the Overpayments Review Group (refer to section 8.5) for consideration, if required.

8.3.1 Early repayment

The standard automated repayment rate does not prevent an employee from entering into an alternative repayment plan to repay their overpayment debt earlier or in a lump sum. An employee can at any time request to repay their overpayment debt earlier, even when an existing repayment agreement is in place.

Such requests can be made by contacting Payroll Services by phone or in writing. Where employee consent to repay their overpayment debt earlier is not written, Payroll Services will provide a written acknowledgment of the request in accordance with section 391(4) of the Industrial Relations Act 1999.
The employer is not required to confirm that the employee has received written acknowledgement prior to the commencement of the agreed repayments. It is the responsibility of employees to contact Payroll Services should this acknowledgement differ to their request.

Employees are to contact Payroll Services to discuss alternative arrangements to ensure continuity of existing repayments under an approved repayment plan, or repayment of the overpayment debt in full, under any of the following circumstances:
- if the employee is intending to be seconded or transferred to another Queensland government agency
- if the employee is intending to take a period of leave without pay
- if the employee is ceasing their employment (refer to section 8.6).

For temporary employees, every effort must be made to finalise repayments within the term of their employment contract (refer to section 8.6).

8.3.2 Financial hardship

When an employee is unable to meet the relevant standard fortnightly repayments due to genuine financial hardship or other extenuating circumstances, the employee may request consideration for flexibility of repayments. Examples of financial hardship or other extenuating circumstances include, but are not limited to, financial misfortune, family tragedy, serious illness, and impacts of natural disasters.

Hardship is not to be confused with inconvenience. Having to repay money to which there was no entitlement does not in itself represent hardship.

Employees seeking an alternative repayment plan in cases of demonstrated financial hardship are to discuss the matter with Payroll Services (refer to section 8.3.3). If an alternative repayment plan is sought, the employee is responsible for providing information to support their claim for financial hardship. Supporting documentation may include a summary of income and expenditure, including loans and/or assets, bank statements, medical certificates, statutory declarations, etc.

All financial hardship applications are to be considered on a case-by-case basis by Payroll Services and may be escalated to the Overpayments Review Group (refer to section 8.5), if required.

8.3.3 Case management

Where an employee wishes to query the details of their overpayment prior to the commencement of automated repayments, Payroll Services is responsible for assisting staff members with the relevant queries in a timely manner. Where required, human resource managers and/or line managers may be included in discussion(s) with the employee and their case manager to ensure accuracy of documentation and other information to support the overpayment.
8.4 Responsibilities – employees, line managers and Payroll Services

The responsibilities of employees, line managers and Payroll Services are outlined in Attachment 1.

8.5 Overpayments Review Group

The Overpayments Review Group facilitates resolution of employee overpayment cases (where possible) and/or provides recommendations to the Director-General on employee overpayment recovery matters that are unable to be resolved via the standard processes.

Payroll Services will refer matters to the Overpayments Review Group in the following circumstances:

- a current or former employee will not engage with an employer in the process
- agreement cannot be reached between an employer and a current or former employee on the existence or value of an overpayment
- a current or former employee acknowledges an overpayment exists but will not enter into a repayment plan
- a current or former employee has applied for financial hardship and approval of the Overpayment Review Group is required.

8.6 Recovery on ceasing employment

The Industrial Relations Act 1999 (section 396C) provides that outstanding overpayments may be recovered from an employee’s final payment when they cease to be an employee. Employee consent is not required for this to occur.

Under the Industrial Relations Act 1999 (section 396D) an employee ceases to be an employee:

- if on ceasing employment the employee is entitled to be paid an amount for untaken leave; and
- whether or not the employee subsequently begins new employment, or resumes previous employment, as an employee, including employment on a casual basis.

This includes, but is not limited to:

- resignations, voluntary early retirement, redundancy or retrenchment
- completion of temporary contract
- change of status from permanent to casual or temporary (for further information, refer to section 8.6 of the Annual/Recreation Leave HR Policy C51).

Where the value of the outstanding overpayment exceeds an employee’s final payment, the employee is required to repay the outstanding amounts to the employer as soon as possible after the termination of their employment. Payroll Services will contact the employee to inform them of their repayment options.

Where a former employee fails to repay the outstanding amount/s to the employer within a reasonable period of time, Payroll Services will commence management of the recovery process, in accordance with the Financial Management Practice (FMPM) and will raise an invoice to the former employee.
8.7 Employee complaints

If a current or former employee has a genuine concern regarding the recovery of overpayments process, they may escalate their case to the Overpayments Review Group.

Alternatively, a current employee may lodge a complaint in accordance with the Grievance Resolution HR Policy E12, or their relevant award or industrial agreement.

9 DEBT WAIVER

Overpayment debts cannot simply be reduced, waived, or written-off. All circumstances for debt waivers are to be fully investigated and appropriate recovery action taken with respect to wages overpayments. Debt waivers relating to overpaid wages are only to occur in exceptional circumstances with the approval of the Financial Delegate in accordance with the Queensland Health FMPM.

An employer will not waive an overpayment debt on the grounds that an employee is experiencing financial hardship.

10 TAXATION

10.1 Taxation implications

The overpayment of wages is not a fringe benefit at the time of payment, due to the exclusion of wages from the definition of a fringe benefit. The amount overpaid will be reflected initially as taxable wages with pay-as-you-go (PAYG) tax withheld.

However, once it is identified and acknowledged that the employee is not entitled to an amount paid, the overpaid wages will no longer be treated as taxable income of the employee. Adjustments will be made accordingly such that the overpaid amounts and PAYG tax withheld are not reflected in the employee’s annual payment summary.

If, however, the employee does not repay the overpaid wages immediately and repays over a period of time, a loan fringe benefit arises and may be subject to Fringe Benefits Tax (FBT). The loan fringe benefit arises because of the interest advantage the employee receives from the overpaid wages.

From 1 July 2012, the loan fringe benefit will arise from the pay date on which the overpayment is identified and notified on the payslip due to the enhanced payslip design.

For SAP-HR overpayments made in 2009-10, 2010-11, and 2011-12, the loan fringe benefit will arise at the earliest of the following:

- date repayment agreement entered into in writing
  or
- date repayments commenced (if no explicit agreement)
  or
- date the employer formally advised the employee of the overpayment and the need to repay.
For historic Lattice payroll system overpayments, a loan fringe benefit arises at the time the repayment agreement is entered into in writing (or in a situation when no explicit agreement exists, repayments commence implying an agreement exists).

Employees may need to be mindful of the possible implications for their salary packaging arrangements if they are eligible to access the $17,000 grossed up taxable value (GUTV) public hospital FBT exemption cap.

The requirements of Public Sector Industrial and Employee Relations (PSIER) Circular C1/11 - Arrangements for salary packaging from 1 April 2011 (as amended from time to time) should be noted in this regard.

Given that FBT is an employer tax, the Queensland Government has allowed salary sacrificing to occur only when employees meet any FBT incurred. Employees may therefore receive salary sacrificing fringe benefits to the level which takes them to $17,000 (GUTV) when added to any non-salary sacrifice fringe benefits (i.e. if they are eligible to access the FBT exemption cap), or otherwise be liable for the FBT.

However, the Government has approved a variation to salary packaging policy for each FBT year through to the end of the 2012/13 FBT year, such that any FBT incurred by employees exceeding the FBT exemption cap as a direct result of the implementation of the SAP-HR payroll system, will be borne by Queensland Health. Lattice payroll system overpayments are therefore excluded from this variation.

When the employee is not eligible to access the FBT exemption cap (e.g. Department of Health staff), and/or is not participating in the salary sacrificing arrangements, any FBT incurred with respect to wages overpayment loan fringe benefits is to be borne by the employer in any case.

Depending on the amount, a wages overpayment loan fringe benefit may also need to be included in the Reportable Fringe Benefits Amount (RFBA) on the employee's payment summary for the relevant financial year.

The Australian Taxation Office (ATO) does not include the RFBA as income when processing employees’ tax returns. An RFBA does, however, have the potential to affect income tests for various Australian Government benefits and surcharges. These include:

- Medicare levy surcharge
- superannuation co-contribution
- higher education loan program (HELP) and student financial supplement scheme (SFSS) debt reductions
- tax offsets for contributions to a spouse's superannuation
- child support deductions
- entitlement to certain income tested government benefits, such as Centrelink.

Employees may need to seek independent financial advice regarding their individual circumstances which may be affected.
10.2 Calculation of taxable value of loan fringe benefit

The taxable value of the loan fringe benefit is the notional amount of interest that would accrue based on the daily balance of the wages overpayment outstanding and the statutory interest rate applicable for the FBT tax year. The statutory interest rate is determined by the Taxation Commissioner each FBT year.

No actual interest is payable on these loans. The statutory interest is required to be used to calculate the taxable value only.

When the taxable value of wages loan fringe benefits is less than $300 in an FBT year with respect to an employee, the employer will apply the minor fringe benefit exemption.

10.3 Debt waivers – tax impact

If wage overpayments are waived, a debt waiver fringe benefit will arise because of the employment relationship (noting that the employer would apply the minor fringe benefit exemption for amounts less than $300 in total for an individual employee per FBT year).

Depending on the amount, the debt waiver fringe benefit may also need to be included in the Reportable Fringe Benefits Amount (RFBA) on the employee’s payment summary for the relevant financial year.

11 TRANSITIONAL ARRANGEMENTS

For overpayments that occurred prior to 14 August 2012, section 396 of the Industrial Relations Act 1999 permits the recovery of overpayments resulting from an employee’s absence from work, from the employee’s wages.

Overpayments that occurred prior to 14 August 2012 are not subject to the automated repayment process. Recovery of overpayments occurring prior to 14 August 2012 will continue to be case managed via the ‘historic overpayments recovery process’. Payroll Services is responsible for historic overpayment case management.

It is noted that overpayments that occurred on or after 14 August 2012 but before the introduction of automated repayments may be recovered without employee consent under the provisions of section 396A of the Industrial Relations Act 1999. Staff will be notified (by payslip message, notification letter or direct contact from Payroll Services) before any recovery action regarding these overpayments takes place.

11.1 Historic overpayments recovery process

Notification
When an historic overpayment is identified, the employee will be notified via at least one of the following methods:

- payslip message
- notification letter from the employer
- direct contact by Payroll Services.
**Employee contact**
A case manager from Payroll Services will be allocated to the overpaid employee. The allocated case manager will contact the employee as soon as possible to commence discussions for the recovery of the overpaid wages debt.

When an overpayment has occurred in relation to an employee who is not at work (e.g. on leave), every effort is to be made to contact the employee and all contact attempts made by the case manager are to be documented in the relevant database.

Following contact by Payroll Services the following may occur:

- the employee agrees verbally with the overpayment debt, nominates an agreed repayment plan within the acceptable framework and has a written acknowledgment sent to them, or they complete and sign a repayment intent form.
- the employee applies for consideration of financial hardship (refer to section 8.3.2) and the relevant internal approval is sought.
- the employee disagrees with the overpayment analysis and amount, does not engage with the case manager, or the repayment terms cannot be agreed and an internal Payroll Services validation/recovery escalation process is initiated (refer to section 11.3).

**Commencement of the historic overpayments recovery process**
An employee may choose to repay an overpayment debt in a lump sum or by instalments. Options for an employee’s repayment of an overpayment debt include:

- payroll deduction (current employees only)
- direct deposit/electronic funds transfer
- cheque/money order
- credit card.

Except as otherwise provided by the relevant industrial provisions, an employee’s consent is required before recovery can occur. An employee may provide consent either in writing or verbally. Where an employee verbally consents to repay their overpayment, Payroll Services will provide a written acknowledgment of their consent in accordance with section 391(4) of the *Industrial Relations Act 1999*.

Any outstanding overpayments as at the date of termination of employment may be deducted from an employee’s final payments consistent with the process referred to in Section 8.6 of this Policy.

**11.2 Standard historic overpayments recovery repayment schedule**

The following table outlines the standard historic overpayments recovery repayment schedule.
Standard repayments of at least the above amount are expected to be made by employees in relation to overpayments that occurred prior to 14 August 2012, other than where an employee and the employer have negotiated an alternative repayment plan, e.g. for earlier repayment or in cases of financial hardship (refer to section 8.3).

11.3 Escalation process

When, as part of the historic overpayments recovery process, the overpaid employee disputes the overpayment, does not engage with their allocated case manager, or cannot agree to repayment terms, the matter is to be escalated.

When an employee disputes the analysis (i.e. the existence) of the overpayment, the matter is escalated internally within Payroll Services as appropriate. The employee may request independent analysis from Internal Audit to assist in the dispute process. Where agreement is unable to be reached between the employee and Payroll Services, the matter is to be referred to the Overpayments Review Group (refer to section 8.5).

When an employee agrees with the overpayment amount, but a repayment plan in accordance with the standard repayment schedule cannot be agreed, the matter is escalated internally within Payroll Services as appropriate. When internal Payroll Services escalations have been exhausted and repayment terms are still unable to be agreed, the matter is to be referred to the Overpayments Review Group (refer to section 8.5).

The employee may also initiate mediation. External mediation services have been engaged and are available to support employees when required.

11.4 Management of simultaneous overpayments

If a new overpayment is identified while an employee is currently repaying an historic overpayment via payroll deduction, the employee will be notified of the new overpayment via their payslip.
If the new overpayment occurred prior to 14 August 2012, a new historic overpayment recovery plan will be initiated for the repayment of the overpayment once the current recovery plan is paid in full.

If the new overpayment occurred on or after 14 August 2012 and there is an existing repayment plan in place, automated repayments may commence:

- if the current repayment plan is expected to exceed 12 months, simultaneously with the current repayment plan as long as the total of all repayment plans does not exceed 15% of the employee’s gross base salary, or
- once the existing repayment plan is paid in full.

12 DEFINITIONS

<table>
<thead>
<tr>
<th>Absence from work overpayment</th>
<th>When an employee does not attend work and is paid when they were not entitled to the payment, e.g., the employee has insufficient sick leave to cover the period of absence.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated repayment process</td>
<td>An automated process implemented via the Queensland Health payroll system for the recovery of overpayments that occur on or after 14 August 2012.</td>
</tr>
<tr>
<td>Employee</td>
<td>As defined under section 396A of the Industrial Relations Act 1999:</td>
</tr>
<tr>
<td></td>
<td>• a public service employee whose employment is with Queensland Health; or</td>
</tr>
<tr>
<td></td>
<td>• a person who is a health service employee under the Hospital and Health Boards Act 2011, section 67.</td>
</tr>
<tr>
<td>Employer</td>
<td>As defined under section 396A of the Industrial Relations Act 1999:</td>
</tr>
<tr>
<td></td>
<td>• Queensland Health; or</td>
</tr>
<tr>
<td></td>
<td>• a Hospital and Health Service established under the Hospital and Health Boards Act 2011, section 67.</td>
</tr>
<tr>
<td>Final payment</td>
<td>Under section 390A of the Industrial Relations Act 1999, a final payment is the total amount owing to the employee by the employer on the day the employee ceases to be an employee, including unpaid wages, or any other amount payable in relation to employment, to which the employee is entitled. However, the final payment for a continuing employee includes only the component of the total amount mentioned above is the amount the employee is entitled to be paid for untaken leave.</td>
</tr>
<tr>
<td>Fringe benefit</td>
<td>A benefit provided to an employee (including past, present and future employees) or an associate of an employee, in a form other than salary and wages, as defined in the Fringe Benefits Tax Assessment Act 1986.</td>
</tr>
<tr>
<td>Gross base salary</td>
<td>Base or standard fortnightly salary amount at the employee’s substantive classification level prior to any pre-tax salary packaging deduction. This amount does not include overtime payments, shift penalties, higher duties and some allowances.</td>
</tr>
<tr>
<td><strong>Gross substantive wage</strong></td>
<td>Base or standard fortnightly wage amount at the employee’s substantive classification level <strong>prior to any pre-tax salary packaging deduction</strong>. This amount does not include overtime payments, shift penalties, higher duties and any other allowances.</td>
</tr>
<tr>
<td><strong>Gross wage</strong></td>
<td>The standard Award-related wage and related entitlement payment calculated for the employee <strong>prior to any pre-tax salary packaging deductions</strong>.</td>
</tr>
<tr>
<td><strong>Hardship</strong></td>
<td>An application claiming hardship is to be supported by reasonable evidence that the recovery action proposed by the employer would be unreasonable. Hardship is not to be confused with inconvenience when there is a requirement to repay a wage-related payment to which there was no entitlement.</td>
</tr>
<tr>
<td><strong>Historic overpayment</strong></td>
<td>An overpayment that is identified prior to the commencement of the Automated Repayment Process.</td>
</tr>
<tr>
<td><strong>Overpayment</strong></td>
<td>The general term used to refer to both wage overpayments and interim cash payments. Overpayments need to be repaid to the employer. See also definitions for “wage overpayment” and “absence from work overpayment”, as applicable.</td>
</tr>
<tr>
<td><strong>Payslip</strong></td>
<td>A statement detailing wage payments and deductions occurring within a corresponding fortnight. Also known as pay advice.</td>
</tr>
<tr>
<td><strong>Wage overpayment (salary overpayment)</strong></td>
<td>A wage-related payment made to an employee which the employee has no entitlement to receive.</td>
</tr>
</tbody>
</table>
| **Wages** | The *Industrial Relations Act 1999*, schedule 5 defines wages as:  
• an amount payable to an employee for:  
  o work performed, or to be performed by the employee  
  o a public holiday  
  o leave the employee is entitled to or  
  o termination of employment  
• a salary  
• an amount payable from wages for the employee, with the employee’s written consent. |
13 HISTORY

<table>
<thead>
<tr>
<th>Date</th>
<th>Amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2013</td>
<td>Amended to incorporate:</td>
</tr>
<tr>
<td></td>
<td>• sections 391(4), 396C and 396D of the <em>Industrial Relations Act 1999</em></td>
</tr>
<tr>
<td></td>
<td>• section 12A of the <em>Industrial Relations Regulation 2011</em></td>
</tr>
<tr>
<td>May 2013</td>
<td>Amended to:</td>
</tr>
<tr>
<td></td>
<td>• incorporate new <em>Industrial Relations Act 1999</em> section 396A Recovery of</td>
</tr>
<tr>
<td></td>
<td>health employment overpayments</td>
</tr>
<tr>
<td></td>
<td>• outline the automated repayments process to be implemented via the</td>
</tr>
<tr>
<td></td>
<td>Queensland Health payroll system for the automated recovery of</td>
</tr>
<tr>
<td></td>
<td>overpayments that occur on or after 14 August 2012</td>
</tr>
<tr>
<td></td>
<td>• update taxation sections.</td>
</tr>
<tr>
<td>April 2010</td>
<td>Developed as a result of the HR policy consolidation project and in</td>
</tr>
<tr>
<td></td>
<td>accordance with ATO rulings.</td>
</tr>
</tbody>
</table>
### ATTACHMENT 1. Responsibilities - employees, line managers and Payroll Services

| **Employees** | Employees are responsible for:  
| | • checking their fortnightly payslip to confirm that payments are accurate  
| | • immediately notifying the Statewide Payroll Hotline or their local payroll team of any discrepancy in their payslip or in the payroll credit to their bank account  
| | • contacting Payroll Services to discuss alternative arrangements to ensure continuity of existing repayments under an approved repayment plan, or repayment of the overpayment debt in full, under any of the circumstances listed in section 8.3  
| | • providing information and documentation to support any request for consideration of financial hardship (if a request is made)  
| | • actively participate in the recovery process  
| | • repaying any overpaid wages.  
| **Line Managers** | Line managers are responsible for:  
| | • contacting Payroll Services immediately if they identify a discrepancy in their records that may result in an overpayment to an employee  
| | • actively supporting Payroll Services in determining repayment arrangements  
| | • providing guidance for overpaid employees and advocating on their behalf in the discussion process, if required  
| | • completing and submitting relevant payroll forms to Payroll Services in a timely manner, to advise of any changes to:  
| | - an employee’s leave without pay (particularly if extending existing periods of leave without pay)  
| | - employee terminations  
| | - other employment related issues that could have an impact on an employee’s pay, e.g. change of standard hours, change in position.  
| **Payroll Services** | Payroll Services are responsible for:  
| | • proactive case management of historic overpayment debts  
| | • reactive case management (where requested) of new overpayment debts occurring after 14 August 2012.  
| | • contacting an employee (and when appropriate the delegate) to ensure appropriate alternative repayment arrangements are discussed if the employee does not make alternative arrangements to ensure continuity of repayments under any circumstances listed in section 8.3.  
| | • re-commencing deductions from an employee’s fortnightly wage as agreed in the repayment agreement when an overpayment continues to exist after an employee returns from leave without pay.  
| | • providing the Overpayments Review Group and, where appropriate, the relevant Deputy Director-General or Chief Executive, with confidential reports of overpayment records.