

**Overpayments/Underpayments policy
Version No: V1**

Document Summary:

This policy provides information and guidance for staff and managers for the prevention and recovery of overpayments and underpayments

Document status	Approved	
Document type	Policy	Trust wide
Document number	PD0020	
Approving body	People Performance Council	
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Date implemented	17/11/2025	
Review date	*3 years from approval date 08/10/2028	
Accountable Director	Chief People Officer	
Policy Author	Assistant Director of Employment Services	
Target audience	All staff	

The intranet version of this document is the only version that is maintained. Any printed copies should therefore be viewed as “uncontrolled”, as they may not contain the latest updates and amendments

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Document Control

Title	Overpayments/ Underpayments Policy		
	Directorate	Corporate	
Brief Description of amendments			
Version 5 includes an update to the dispute and resolution process, timescales and decision making for authorisation of advance payments.			
Does the document follow the Trust agreed format?			Yes
Are all mandatory headings complete?			Yes
Does the document outline clearly the monitoring compliance and performance management?			Yes
Equality Analysis completed?			Yes
Data Protection Impact Analysis completed?			Yes

Section 2 – Consultation Information*

*Please remember to consult with all services provided by the Trust, including Community & Primary Care

Consultation Completed		<input checked="" type="checkbox"/> Trust wide <input type="checkbox"/> Local <input type="checkbox"/> Specific staff group	
Consultation start date	16/10/2025	Consultation end date	05/11/2025

Section 3 – Version Control

Version	Date Approved	Brief Summary of Changes
01	31/03/2011	Updated policy
02	30/04/2014	Updated policy
03	30/03/2019	Updated policy
04	05/06/2024	Updated policy to reflect changes to dispute arrangements – this change was never submitted and so never uploaded by document control
1 PD	08/10/2025	Update to the dispute and resolution process, timescales and decision making for authorisation of advance payments

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Section 4 – Approval – <i>To be completed by Document Control</i>			
Assurance provided by author & Chair		x Minutes of meeting <input type="checkbox"/> E-mail with Chair's approval	
Date approved	08/10/2025	Review date	08/10/2028

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Reason for withdrawal	<input type="checkbox"/> No longer required <input type="checkbox"/> Superseded
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Date Withdrawn:	Click here to enter a date.

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1. Scope

This policy applies to all Trust and Lead Employer employees, currently and previously employed including bank staff, within Mersey and West Lancashire Teaching Hospitals NHS Trust. It is designed to provide clear guidance and a consistent approach to the management of underpayments and overpayments of wages, salary, expenses, salary sacrifice schemes or other payments more than an employee's contractual entitlement.

2. Introduction

Mersey and West Lancashire Teaching Hospitals NHS Trust's overriding aim in paying its people is to make payment promptly, accurately and have processes in place to prevent underpayments and overpayments. However, there may be an occasion when an underpayment or an overpayment occurs. This policy sets out preventative measures and what action will be taken in the event of underpayments and overpayments.

The Trust's contract of employment permits Mersey and West Lancashire Teaching Hospitals NHS Trust to make deductions in relation an overpayment after agreeing with the amount to be deducted with the employee and he term over which the overpayment will be recovered. The Trust reserves the right to make deductions from an employee's salary, or to repay money to the Trust in relation to:

- Any money an employee owes the Trust.
- Excess of holiday taken over entitlement.
- Expenditure claimed in excess of entitlement.
- Any other payment made to an employee in excess of their entitlement.

This is also in line with The Employment Rights Act 1996, Section 13 where it states that an employer shall not make a deduction from wages of a worker employed by him unless:

- a) The deduction is required or authorised to be made by virtue of a statutory provision or a relevant provision of the worker's contract, or
- b) The worker has previously signified in writing their agreement or consent to the making of the deduction.

Where an employer has made an accidental overpayment of wages, the statutory position is that the employer can recover this by deducting the overpayment from future wages or salary. This is covered by Section 14 of the Employment Rights Act 1996, which provides that protection from deductions from wages does not apply to an overpayment of wages or employment-related expenses.

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3. Statement of Intent

This policy is designed to provide clear guidance and a consistent approach to the prevention and management of advances, underpayments and overpayments of wages, salaries, expenses, or other payments in excess of an employee's contractual entitlement in the interests of the management of public funds. If any elements of this policy are not clear, employees/bank workers and ex-employees are requested to seek clarification from the Employment Service directly by email to; Payroll@Merseywestlancs.nhs.uk or their HR Business Partner.

On occasion, incorrect payments do occur, making it necessary to correct the error and pay or recover all monies due. The term 'payments' includes salary, expenses, and any other re-imburements e.g., Sick pay or parental leave pay.

The Trust's principal aim is always to rectify incorrect payments promptly; however, this should be done in a fair and reasonable way with a person-centered approach to the financial wellbeing of the employee which is the utmost importance in the use of this policy. This procedure is to provide a consistent approach to incorrect payments and provide a standard approach to:

- The recovery of any overpayments
- The correction and payment of any underpayments.

4. Definitions

Term	Definition/meaning
Prevention	For the purpose of this policy is when employees, their managers, and departments responsible for the processing of any changes to pay, take the timely and accurate required steps to stop an overpayment or underpayment from occurring
Underpayment	An underpayment occurs when an employee is paid an amount which is less than their contractual entitlement and/or they are not paid at all. Likely cases of an underpayment include, for example: <ul style="list-style-type: none">• Late or no notification of an employee returning from parental leave.• Late or no notification of an employee returning from long term sickness absence.• Late notifications of an extension to an acting up position.• A systems input or other error by the Payroll or HR Team.• A late change of circumstance notification.• An employee placed on an incorrect salary point.• A reversal to a disciplinary sanction that has financial implications.• Mistakes with TUPE transfers• Late processing of overtime/ additional payments• Incorrect work schedules or job plans

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Overpayment	<p>An overpayment can arise, for example, due to:</p> <ul style="list-style-type: none"> • Incorrect completion of timesheets or expense claims. • Late notification of an employee commencing sickness, parental or unpaid leave who continues to be paid at full pay rather than reduced. • Late notification of an employee leaving the organisation who continues to be paid after leaving. • Late notification of a change in an employee's circumstances, e.g. reduction from full time to part time hours and continues to be paid full time. • Mistakes in relation to scale points/bands at recruitment. • Fraudulent activity. • Payroll and administrative errors
Advance of Salary	Is a payment made to a person outside of the normal pay day.
Shared Business Service (SBS)	The Shared Business Service is the organisation who processes the Trusts invoices.
Accounts Receivable (AR)	In the context of this policy, AR relates to the recovery of the overpayments of people who have left the Trust, Lead Employer or other payrolls hosted by the Trust. This is because the outstanding balance becomes invoiced debt. As such, it falls under the Trust's Director of Finance & Information.
Gatekeepers	The Gatekeepers for Mersey and West Lancashire Teaching Hospitals NHS Trust are the Assistant Director of Employment Services (Payroll), Assistant Director of HR, Operations and the Assistant Director of Finance – FS and Head of HR, Operations, Lead Employer.
Manager	For the majority of employees, the manager is the person that that they report into for their role. In the case of bank workers or Colleagues in Training/Resident Doctor's often it will be the HR Department who act in the capacity of a line manager for queries around e.g. pay and the processing of documentation.

5. Duties, Accountabilities and Responsibilities

5.0 General Duties

It is the duty of all parties engaged in receiving, monitoring, and administering the employee's salaries to prevent overpayments and underpayments. This includes the employee, managers, clinical leads, Payroll, Human Resources, and the Finance departments.

Every effort should be made to avoid a situation where an employee could:

- retain a payment that they are not entitled to, or
- endure an underpayment that could lead to financial hardship, for example, incurring bank charges which could have an impact on financial wellbeing.

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5.1 Employees and Bank Workers

All employees and workers are responsible for giving correct and complete information on any timesheets or expense claims they complete.

Only line managers/ clinical leads are authorised to approve timesheets or expense claims if they are the authorised signatory for the team whose payments they have been requested to approve. The line managers/ clinical lead must ensure that the approval that they are authorising are correct containing information that they believe to be correct, and they must not authorise timesheets and/or expenses claims for themselves or a family member/ partner etc.

All employees and workers are responsible for regularly checking their payslips and/or their personal financial records, to ensure that they are receiving the correct pay and benefits and must bring any anomalies to the attention of their manager and the payroll department as a matter of urgency. Ideally the employee/worker will review the payslip online before the payment is made and alerts the payroll department any anomalies in advance of the pay date. Where this is not possible due to the payslips being issued very close to pay day, any discrepancies should be reported as reasonably practicable after it is identified.

All employees and workers of the Trust have a duty to report to their line manager and Payroll department any overpayment made to them since it is a payment to which they are not entitled to and, therefore, will have to be repaid as this is public money.

5.2 Line Managers

All line managers have a responsibility to ensure that all documentation relating to any changes with regards to employment terms and conditions is submitted to the Human Resources and Payroll Departments as appropriate in a timely manner so that the payroll department is made aware immediately of any late e-forms/ documentation to avoid any potential overpayments. (E-forms can be found on the Trusts intranet)

All line managers have a responsibility to complete a staff termination e-form giving the full details of any employees handing in their resignation on receipt of the resignation notice. Where an employee fails to report for work in circumstances that suggest they have left without notice, line managers, as advised by their HR Advisor has a duty to inform the Payroll Department immediately so that pay to be stopped and avoid any potential overpayment.

All line managers have a responsibility in the fair and consistent application of this policy by:

- Communicating and explaining this policy to staff.
- Applying this policy where an overpayment or underpayment of salary occurs.
- Adopting a culture of open and honest communication.
- Contacting Payroll and Human Resources departments for advice and assistance where needed.
- Ensuring the relevant notifications of changes that affect employee's pay are fully completed and sent to Payroll in a timely manner via e-forms.

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All line managers will be copied into any email about an overpayment made to their team members. It is a manager's duty to support the employee and help to explain recovery process as outlined in this policy and advised by the Payroll department on a case by case basis. This will include any staff within 3 months of leaving the Trust.

All line managers are responsible for ensuring they check their budget monthly and alert Finance and Payroll of any errors or anomalies. Particular attention should be paid to starters, leavers and members of staff who have changed their working hours or pay or the assignment status, to ensure these changes have been correctly reflected in their salary payments.

5.3 Responsibility of the Employment Services Department (Payroll)

Mersey and West Lancashire Teaching Hospitals NHS Trust is obliged to seek recovery of any overpayment and correct any underpayments, irrespective of its origin . It is the responsibility of Employment Services (payroll) to:

- Ensure that any pay elements are entered into ESR in an accurate and timely manner.
- Ensure that any payment errors are resolved in line with this Overpayment Recovery and Underpayment Policy.
- Ensure any payment errors are identified and the employee advised in a timely manner.
- Prepare a monthly report of all outstanding overpayments and circulate to the Director of Finance (deputy) and other senior managers for action as appropriate.
- Notify the employee's line manager of the overpayment.
- Advise the employee and the line manager as to the repayment terms agreed for the recovery of the overpayment.
- Ensure any underpayments are paid in full on the next available pay cycle or as soon as possible if this is likely to cause financial hardship.

5.4 Responsibility of the Finance Department

The Accounts Receivable Team

When an employee leaves the organisation, any outstanding overpayment becomes official Trust debt. The debt will be promptly referred to the Accounts Receivable Team, which is part of the Trust's Finance Department.

The Accounts Receivable Team's responsibilities in respect of Trust and Lead Employer overpayments for staff no longer on payroll are as follows.

- Liaise with SBS to ensure prompt and accurate invoicing of the debt, and any follow-up recovery procedures.
- Proposing instalment plans for the resolution of outstanding debt.

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- Provide information of payments to the Trust and Lead Employer as required.

Finance Department

Responsibilities under this policy are as follows.

- Gatekeeping (see *Responsibility of the Gatekeepers*),
- Administering advances when made via Financial Services (see *Payment of an Advance*) and ex-gratia (see *Refund of Bank Charges*).
- Overseeing Trust debt, approving debt referrals, writing off debts as required, and also periodically presenting such matters to the Trust’s Audit Committee.

The Head of Capital and Treasury Services can deputise for the Director of Finance in these matters.

*The next section is only applicable to the Lead Employer Service.

5.5 Lead Employer

It is the responsibility of the Lead Employer to:

- Ensure the preventative measures are taken to avoid pay errors.
- Publish a yearly payroll timetable with clearly denoted pay cut off dates. (Payroll cut-off dates are available on the Lead Employer website).
- Follow the agreed internal Standard Operating Procedures for pay errors.
- Ensure that the pay errors performance table is discussed with Host organisations and NHSE.
- Ensure information provided by the host organisation is inputted correctly and in line with the Medical and Dental Code of Practise into the pay system.
- Ensure pay affecting information provided by NHSE organisations is inputted correctly. where hardship is cited in respect of repayment of an overpayment an individual should send a request to the Lead Employer via email with a proposal outlining how much they can afford to repay each month. This will be reviewed by the relevant Team Manager should agreement not be reached the matter will be escalated to the Head of HR Operations.
- Provide advice and guidance on pay in relation to the Terms and Conditions of Service for doctors and dentists in training and AfC for Public Health trainees.
- Publish and signpost guidance on how to interpretate pay slip and pay.

5.6 Responsibility of the Employee/Bank Worker (and employees who have left MWL and/or lead Employer)

It is the responsibility of the employee to:

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- Ensure that they understand their salary entitlement and if they are unclear they ask for clarification.
- Check their payslip each pay period, if possible, to ensure it is accurate (this includes people who have left the organisation checking that their final salary payment is correct and that they do not continue to receive payments from MWL after they have left).
- Ensure they notify their Line Manager/Lead Employer of any changes e.g., if they are leaving MWL, going on parental leave, reducing hours, taking a period of out of programme (OOP) and moving to less than full time hours etc. in line with appropriate policies.
- Ensure they notify Employment Services (Payroll)/Lead Employer of any changes to their circumstances in relation to salary sacrifice schemes, training, loans, and change of home address and contact details.
- Ensure the bank details provided are correct and are current.
- Ensure that contact details and home address details are maintained via Employee Self Service where available.

If an employee believes they are, or have been, overpaid, they must contact Employment Services (Payroll)/Lead Employer immediately. Failure to notify Employment Services (Payroll)/Lead Employer of the continued receipt of pay and/or an allowance may lead to an investigation being carried out under the Trust's Disciplinary Policy or the Lead Employer Managing Concerns Policy where there is evidence to suggest that the person knew their pay to be inaccurate, invalid or should have ceased.

Referral to MIAA

The Theft Act 1968 indicates that although an individual may not set out to obtain the additional salary intentionally, by keeping it and treating it as their own (i.e., spending it or refusing to repay) they may be guilty of an offence. Under the Fraud Act 2006, it may be considered an offence to dishonestly fail to declare a salary overpayment. Where this is suspected, the case may be referred to the Trust's Anti-Fraud Specialist (see *Responsibility of the Trust's Anti-Fraud Service*).

Responsibility of the Gatekeepers

It is the responsibility of the Gatekeepers (Assistant Director of HR, Operations /Assistant Director of Finance to:

- Receive a monthly KPI document from the Payroll Department by the 5th working day of every month detailing under and overpayments for the previous month, broken down by, payroll error, manager error or employee error.
- The Assistant Director of HR, Operations will prepare a performance dashboard report by division of overpayments/underpayment for monthly for monthly divisional

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finance, performance & operations meetings. The table/report is to demonstrate the best performing division/department in reducing overpayments, including reporting on areas where there are zero overpayments and to encourage sharing of best practice.

- The Head of HR, Operations for each division will ensure the divisional/department meeting are senior managers and that this is a monthly standing agenda item where the list of under/overpayments is reviewed, and action plans are agreed and monitored to prevent future under/overpayments.
- For the Lead Employer, the Head of HR, Operations, LE will ensure that all host organisations and NHS England stakeholders are advised of pay errors during Operational Management meetings where the pay error has been identified as being caused by that stakeholder.
- For the Lead Employer, the Head of HR, Operations, will work with Lead Employer stakeholders to ensure pay errors are minimised through effective communication by setting clearly defined deadlines and communicating to key personnel.
- Where the Gatekeeper is not available ensure a suitable designated person (at the right level) is assigned to cover these responsibilities if they are not available to carry out the duties.
- The Assistant Director of Finance – Financial Services is responsible for managing debt which exists beyond employment, and this includes decisions regarding instalments, escalation, write-offs, and legal action.

Responsibility of the Trust’s Anti-Fraud Service

All NHS organisations are duty bound by the Public Accounts Committee to recover overpayments in full. This is in line with one of the basic principles of public sector organisations: to ensure the proper use of public funds. The majority of people who work in the NHS conduct themselves in an honest and professional manner and they believe that fraud, bribery and corruption, committed by a minority, is wholly unacceptable as it ultimately leads to a reduction in the resources available for patient care.

The Trust is committed to reducing the level of fraud, bribery, and corruption within the NHS to an absolute minimum and keeping it at that level, freeing up public resources for better patient care. The Trust does not tolerate fraud, bribery or corruption and aims to eliminate all such activity as far as possible.

Mersey Internal Audit Agency (MIAA) delivers the Trust’s Anti-Fraud Service and has the remit to undertake criminal investigations on behalf of the Trust as appropriate. Under the Fraud Act 2006, fraud is the dishonest intention of someone to make a gain for themselves or another, or to cause loss to another (or expose them to a risk of a loss) through false representation, failing to disclose information, or abuse of position.

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6. Process for Recovering Overpayments and Rectifying Underpayments

Resolving Overpayments with Current Staff

Ideally any potential overpayment will be highlighted as soon as the payslip is available for employees /bank workers to view and prior to the payment being sent to the employee's bank account. This will enable the payment to be corrected and avoid the overpayment.

For overpayments not identified prior to the payment being made, the Employment Services (Payroll)/Lead Employer will notify the employee or bank worker of the overpayment by telephone where possible immediately it is identified and then confirm in writing detailing the reason for the overpayment, the total value of the overpayment and that the amount of money overpaid that will be deducted from the next month's pay.

All other overpayments will normally be recovered over a period that would not cause undue financial hardship which would usually be within 3 months of the overpayment and over a period agreed with the employee

If repayment within 3 months would cause financial hardship e.g., the employee/bank worker has recently reduced their hours, is about to go into a period of half pay, unpaid leave, or they are soon to commence parental leave, the employee will meet with their HR Business Partner to explain their personal circumstances and request a longer re-payment plan. (If hardship is cited by a person employed under the Lead Employer arrangements the matter will be escalated to the relevant Team Manager).

If the repayment would take the employee below the national minimum wage, the payment will need to be taken over a longer period of time so this does not occur.

This should take place within 14 calendar days of the written notification being sent or the hardship being cited by the employee to arrange a meeting to agree a repayment plan for the overpayment that does not impact on the financial wellbeing of the member of staff.

Each case must be assessed on an individual basis by the HR Business Partner and regard must be taken to the amount of the overpayment and the period of time the overpayment has accrued. A common sense and reasonable approach will be taken by the Trust or Lead Employer. The HR Business Partner/ Lead Employer Team Manager will pass the recommendation for the extended repayment plan to Employment Services (Payroll).

Any request for a payment plan exceeding the period in which the overpayment was made will be referred to the Deputy Director of Finance and Information for approval in line with Standing Financial Instruction's.

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In all cases, employees will be advised in writing by Employment Services (Payroll), prior to the overpayment being deducted. The letter will set out why there was an overpayment and provide the calculations along with the agreed re-payment plan. Recovery payments can only be deducted directly from the persons salary.

Disagreements With Overpayment Value: Employee, Ex-employee, Bank Worker

- If the employee/ex-employee/bank worker disagrees with the overpayment value, they must respond to the Payroll Manager, stating the elements of the overpayment that they disagree with, within 10 working days of receipt of the overpayment letter.
- If the disagreement relates to the overpayment calculation, the Payroll Manager will recheck this and, if applicable, send the employee/ex-employee and their line manager a revised calculation.
- If the disagreement relates to the basis of the calculation, for example, annual leave entitlement or hours of work, then the employee's/bank workers/ex-employee's manager must review the details of the dispute, taking advice from Human Resources and Payroll as necessary.
- The employee's/bank workers/ex-employee's manager may then email or write to the employee/ex-employee, responding to the disputed details, and should copy the Payroll Manager and Accounts Receivable. If any of these sums have changed, the Payroll Manager will recalculate the overpayment and write to the employee/ex-employee, the employee's/ex-employee's manager and Accounts Receivable, stating the value of the revised overpayment. Once the manager has responded to the employee/ex-employee, Accounts Receivable will arrange for an invoice to be raised with the individual.
- If any overpayment has been disputed by the employee/ex-employee/bank worker, the recovery of the overpayment must be put on hold until it has been investigated and a final decision has been reached by the Trust. The investigation will be carried out by an appointed person with relevant experience to review the dispute. If not resolved informally and the employee/bank worker remains in employment with the Trust any further concerns would be raised via the Early Resolution and Grievance procedure.

Resolving overpayments with employees due to the leave or have left MWL

When an employee is due to leave the Trust/Lead Employer and has been overpaid, Employment Services (Payroll) will complete the following tasks:

- Arrangements will be made to deduct the overpayment balance from the employee's post-resignation salary to the maximum extent possible, unless

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exceptional circumstances apply – in which case the matter will be escalated to the Deputy Director of Finance & Information who will approve a repayment plan. Any repayment plans will be with the agreement of the employee to ensure that this does not cause financial hardship.

- In the case of Lead Employer people whereby training programmes cease at a fixed point in time determined by educational competence confirmed via NHSE, any employee in an overpayment situation, should be contacted 3 months prior to their contract end date and provided with the option of amending their deductions to avoid financial hardship in their final salary, with the exception of any situation where the resident doctor /colleague in training is leaving with less than 3 months' notice.
- Employment services (Payroll) will notify the employee in writing and will confirm the following information:
 - The employee's final salary deductions.
 - Confirm any remaining balance.
 - Advise the employee of any remaining overpayment and explain how the amount will be transferred to the Accounts Recovery Team, with an explanation of the invoicing process and how repayments will be managed going forwards. Any proposed deductions or repayment plans will be agreed with the employee.
- Employment Services (Payroll) will notify the Accounts Recovery Team by updating the Overpayments database.

The Accounts Recovery Team will liaise with SBS to ensure that an invoice is promptly issued, instalments can be set up where it would cause financial hardship and ultimately, any escalation actions are undertaken to pass on the recovery of payment to an external Debt Recovery organisation. Both Employment Services (Payroll) and the Accounts Recovery Team will update their respective Overpayments Tracker accordingly.

Rectifying Underpayments

Where a payment error has been made as an underpayment, Employment Services (Payroll)/Lead Employer will contact the employee by telephone or in writing and explain how the underpayment has occurred. The underpayment will be corrected usually in the following month's payroll, subject to any documentation authorising the payment being sent to Payroll by the line manager prior to the payroll deadline. Advance of salary will only be considered when the underpayment is a result of manager or Employment Services (Payroll)/Lead Employer error, or a system failure and the underpayment causes immediate financial difficulties where the underpayment is of no fault of the employee. The recommendation for an advance will be made by the Head of Employment Services and approved by the Deputy Director of Finance.

Maximum Amount of an Advance

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The maximum amount of an advance can only range between 50%-60% (this will be proportionate to the grade/band and expected deductions as the Trust has to estimate tax and National Insurance deductions and account for any other deductions e.g., pension contributions).

Payment of an Advance

Payment will be processed by either Financial Services or Employment Services (Payroll) via the SBS financial system according to service deadlines. Payroll must complete their action and submit payment details via the Advances Request form. Requests must be submitted to either Financial Services or Employment Services (Payroll) by 14.45pm for payment to be made on the next working day.

Refund of Bank Charges

There may be rare occasions where an employee incurs bank charges because of non-payment, or delayed payment of their salary. Requests for refund of bank charges incurred due to shortfall in salary payment caused by the employer's error must be submitted to Employment Services (Payroll)/Lead Employer. These teams can either reject the claim or confirm that the error was the fault of the employer.

Where someone has incurred a bank charge because of a pay error made by the employer the Assistant Director of Finance, Financial Services is responsible for the approval of this payment and the reporting of it to the Trust's Audit Committee, and the forward the claim on to the Treasury Services Manager (Financial Services), together with proof that their bank charges were incurred as a direct result of the delay in payment, or non-payment, of salary. These will be managed on a case by case basis and the employee/bank worker/ex-employee will be advised on the time period for any bank charges to be repaid.

Failure to Comply with This Policy

It is acknowledged that there may be many reasons for under or overpayment and the Trust will always try to handle any situation with sensitivity, compassion and kindness with consideration for any financial hardship caused. There may however be situations where an employee has failed to comply with this policy and there may be no alternative than to treat the matters as misconduct. This may also lead to investigation by the Local Counter Fraud Specialist and could result in the Trust needing to pursue disciplinary and/or civil action as appropriate against any employee or ex-employee for a serious breach of the policy

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7. Training

Mersey and West Lancashire Teaching Hospitals NHS Trust acknowledges the importance of awareness training for employees and the effective dissemination and implementation of this policy. Working in partnership Employment Services (Payroll), Lead Employer and Finance will provide the appropriate support, guidance and training. Support will also be available through MWL's Staff Support, Health and Well Being confidential counselling and employee assistance services with regards to financial wellbeing– contact details are available on the MWL intranet site/Shared Service website in the case of Lead Employer.

What aspect/s of this policy will require staff training?	Which staff groups require this training?	Is this training covered in the Trust's Statutory & Mandatory Training Policy?	If no, how will the training be delivered?	Who will deliver the training?	How often will staff require training	Who will ensure and monitor that staff have this training
Application of the policy on an ad hoc basis.	Managers and staff	No	As required	Employment Services (Payroll), Lead Employer and Finance	As required	Managers

8. Monitoring Compliance

8.1 Key Performance Indicators (KPIs) of the Policy

No	Key Performance Indicators (KPIs) Expected Outcomes
1	Reduction in level of overpayments and underpayments across the organisation
2	Reduction in the time taken to commence recovery of overpayments

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8.2 Performance Management of the Policy

Minimum Requirement to be Monitored	Lead(s)	Tool	Frequency	Reporting Arrangements	Lead(s) for acting on Recommendations
Overpayment/ Underpayment Performance Tracker	Gatekeepers	Overpayment/ Underpayment Tracker	Monthly	Monthly KPI reports sent to Gatekeepers and Lead Employer Senior Management each month.	Head of Service Delivery (Payroll) & Head of Service Delivery (LE)
Overpayment Notifications	Head of Service Delivery Lead Employer	Overpayment/ Underpayment Tracker	Monthly	Monthly notification of all overpayment errors to individuals in month of discovery with no less than 7 calendar days before pay is expected including gross overpayment figure.	Head of Service Delivery (LE)
Overpayment calculations	Head of Employment Services Payroll	Overpayment/ Underpayment Tracker	Monthly	Monthly notification of all overpayment errors to individuals following notification of gross overpayment to include net amount and monthly repayment amounts no	Head of Employment Services Payroll

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				later than 5 th working day of the month	
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9. References/Bibliography

No	Reference
1	ACAS www.acas.org.uk
2	Financial Ombudsman www.financial-ombudsman.org.uk
3	MWL contract of employment
4	Royal College of Nursing https://www.rcn.org.uk/get-help/rcn-advice/overpayment-of-wages
5	BMA Junior Doctors Handbook – pay www.bma.org.uk
6	MWL Resolution and Grievance Policy

10. Related Trust Documents

No	Related Document
1	Contract of Employment
2	Lead Employer Overpayment/Underpayment Standard Operating Procedure
3	Anti-Fraud and Anti-Corruption Policy
4	MWL/Lead Employer Disciplinary Policy
5	MWL/Lead Employer Early Resolution and Grievance policy

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11. Equality Analysis Screening Tool

The EIA screening must be carried out on all policies, procedures, organisational changes, service changes, cost improvement programmes and transformation projects at the earliest stage in the planning process. Where the screening identifies that a full EIA needs to be completed, please use the full EIA template.

The completed EIA screening form must be attached to all procedural documents prior to their submission to the appropriate approving body. A separate copy of the assessment must be forwarded to the Head of Patient Inclusion and Experience for monitoring purposes via the following email patientedi@sthk.nhs.uk If the assessment is related to workforce a copy should be sent to the workforce Head of Equality, Diversity and Inclusion for Workforce at Equality&diversity@sthk.nhs.uk

If this screening assessment indicates that discrimination could potentially be introduced, then seek advice from the Head of Patient Experience and Inclusion via cheryl.farmer@sthk.nhs.uk for patient related functions or Head of Workforce Equality Diversity and Inclusion via darren.mooney@sthk.nhs.uk for workforce

A full equality impact assessment must be considered on any cost improvement schemes, organisational changes or service changes that could have an impact on patients or staff.

Title of function	Overpayments/Underpayments Policy
Brief description of function to be assessed	Application of the policy
Date of assessment	24 March 2025
Lead Executive Director	Malise Szpakowska
Name of assessor	Claire Scrafton
Job title of assessor	Deputy Director of HR and Governance

1. Equality, Diversity & Inclusion

Does the policy/proposal:

- 1) Have the potential to or will in practice, discriminate against equality groups or people in inclusion health groups?
- 2) Promote equality of opportunity, or foster good relations between equality groups?
- 3) Where there is potential unlawful discrimination, is this justifiable?

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Please tick the relevant box

	Negative Impact	Positive Impact	Justification/ evidence and data source
Age	No	No	N/A
Disability	No	No	N/A
Gender reassignment	No	No	N/A
Pregnancy or maternity	No	No	N/A
Race	No	No	N/A
Religion or belief	No	No	N/A
Sex	No	No	N/A
Sexual orientation	No	No	N/A

2. Human Rights

Is the policy/proposal infringing on the Human Rights of individuals or groups?

	Negative Impact	Positive Impact	Justification/ evidence and data source
Right to life	No	No	N/A
Right to be free from inhumane or degrading treatment	No	No	N/A
Right to liberty/security	No	No	N/A
Right to privacy/family life, home and correspondence	No	No	N/A
Right to freedom of thought/conscience	No	No	N/A
Right to freedom of expression	No	No	N/A
Right to a fair trial	No	No	N/A

3. Health Inequalities

Is the policy/proposal addressing health inequalities and are there potential or actual negative impact on health inequality groups, or positive impacts? Where there are potential unlawful impacts is this justifiable?

	Negative Impact	Positive Impact	Justification/ evidence and data source
Deprived populations	No	No	N/A
Inclusion health groups	No	No	N/A
5 child clinical areas	No	No	N/A
5 adult clinical areas	No	No	N/A

4. Sign off

Name of approving manager	Kelly Stephenson
Job title of approving manager	Head of HR Governance and Performance
Date approved	20 March 2025

5. EIA Action Plan

Recommendations	Actions Required	Resources required /costs	Timeframe	Lead officer responsible
N/A				

Please forward an electronic copy of this action plan with the completed assessment to , Cheryl.farmer@sthk.nhs.uk for patient related assessments or equality&diversity@sthk.nhs.uk for workforce related assessments for monitoring purposes.

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12. Data Protection Impact Assessment Screening Tool

If you answer **YES** or **UNSURE** to any of the questions below, a full Data Protection Impact Assessment will need to be completed in line with Trust policy.

	Yes	No	Unsure	Comments - Document initial comments on the issue and the privacy impacts or clarification why it is not an issue
Is the information about individuals likely to raise privacy concerns or expectations e.g. health records, criminal records or other information people would consider particularly private?		X		
Will the procedural document lead to the collection of new information about individuals?		X		
Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?		X		
Will the implementation of the procedural document require you to contact individuals in ways which they may find intrusive?		X		
Will the information about individuals be disclosed to organisations or people who have not previously had routine access to the information?		X		
Does the procedural document involve you using new technology which might be perceived as being intrusive? e.g. biometrics or facial recognition		X		
Will the procedural document result in you making decisions or taking action against individuals in ways which can have a significant impact on them?		X		
Will the implementation of the procedural document compel individuals to provide information about themselves?		X		

Sign off if no requirement to continue with Data Protection Impact Assessment:
Confirmation that the responses to the above questions are all NO and therefore there is no requirement to continue with the Data Protection Impact Assessment

Policy author Claire Scrafton

Date 24.03.2025

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