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## Recovery of Overpayments Policy

<b>Version</b>	V2
<b>Supersedes:</b>	V1 Recovery of Overpayments Policy
<b>Date Ratified by Board:</b>	March 2021
<b>Reference Number:</b>	PC24POL124
<b>Title &amp; Department of originator:</b>	Director of HR & OD, HR Department
<b>Title of responsible committee/department:</b>	Quality and Workforce Committee
<b>Effective Date:</b>	February 2021
<b>Next Review date:</b>	February 2022
<b>Target audience:</b>	All Staff
<b>Impact Assessment Date:</b>	May - 2020
<b>Summary</b>	This policy is designed to explain the rules when overpayments occur and the acceptable actions the organisation can take in managing overpayments

Version	Date	Control Reason	Title of Accountable Person for this Version
v1	06/2019	New Policy	Director of Finance
V2	02/2021	Review and update of policy	Director of HR & OD , HR Department
<b>Reference Documents</b>		<b>Electronic Locations (Controlled Copy)</b>	<b>Location for Hard Copies</b>

<p>Employment Rights Act 1996          Equality Act 2010          Safeguarding Vulnerable Groups Act, 2006          Data Protection Act 2018          Working Time Regulations 1998          Disciplinary and Grievance Procedures, Code of Practice, ACAS, 2009          Disciplinary and Grievances at Work, The ACAS Guide, ACAS, 2011          Code of Conduct for NHS Manager, DH, 2002</p>	<p>Primary Care 24          Intranet</p>	<p>Policy File, Wavertree          Headquarters</p>
<p><b>Consultation:</b>          Executive Team</p>		<p><b>Date</b></p>
<p>MIAA Counter Fraud Team</p>		<p>22/2/2021</p>

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## PURPOSE

- i. PC24 has many procedures, systems and controls in place to ensure that employees are paid correctly at all times. However, on occasions it is accepted that unfortunately errors will occur as no system is perfect and no employee infallible. This is not unusual where the employer operates a computerised payroll. Alternatively, the overpayment may be due to a clerical error.
- ii. Should an overpayment occur then once it has been identified, it will be recorded by Payroll, the circumstances investigated, and immediate action taken to minimise or prevent the situation occurring again in the future and the recovery process will be actioned.
- iii. PC24 will continuously keep its procedures, systems and controls under review to ensure they are rigorous and that the likelihood an overpayment will occur is avoided.
- iv. This document should be read in conjunction with the following policies:
  - Grievance Policy (PC24POL15)
  - Disciplinary Policy (PC24POL14)
  - Standing Financial Instructions (PC24SFI)
  - Anti-Fraud, Anti-Bribery and Anti-Corruption Policy (PC24POL101)

## 2.0 SCOPE OF THE POLICY

- i. This policy applies to all salaried employees of Primary Care 24.

- ii. An overpayment of salary to an employee or ex-employee normally arises as the result of either an “error of calculation”, which results in a payment being made in error, or as the result of incorrect, insufficient or late notification of a change to the individual’s circumstances or contract of employment.
- iii. The overpayment may be a one-off or it may have been made over a longer period of time.
- iv. The aim of the policy is to standardise the process that will be followed to ensure consistent management of a salary overpayment, made to either an existing employee or ex-employee of PC24.
- v. Recovery of an overpayment is allowed in law, provided the employee was not led to believe that they were entitled to the payment. The employer may recover the overpaid amount either by deducting it from the employee’s salary or by asking the employee to repay it.
- vi. The law which govern these arrangements is the Employment Rights Act 1996 and specifically Section 13 which prevents an employer making an unlawful deduction from pay. The main purpose for this legislation is to stop an employer imposing fines on employees or simply deciding to take money off an employee with no just cause. An important exception to Section 13 is the ability to recover overpayments.
- vii. The law recognises that when a mistake is made then the employer has a right to recover the monies paid in error provided they have acted reasonably.

### **3.0 RESPONSIBILITIES**

#### **3.1 Director of Finance and Director of Human Resources and OD**

- i. The Director of Finance is responsible for ensuring that an appropriate Policy and Procedure is in place to deal with overpayments of Salary.
- ii. The Director of HR is also responsible for ensuring that managers are supported in the implementation of the policy and procedure and that it is reviewed and monitored regularly.

#### **3.2 Line Managers**

- i. It is the responsibility of managers to ensure that notification of appointments/leavers, sickness reporting, amendments of contracts, mileage claims, allowances, overtime etc. are completed correctly using the appropriate forms or via iTrent as required. This must be properly authorised and submitted on time prior to payroll cut off in good time for the change to be made by the appropriate date.
- ii. Managers are also responsible for ensuring their staff are fully aware of this procedure and that it is the employee's responsibility to report any inaccuracies in their pay as soon as they become aware of it.

#### **3.3 Human Resources / Payroll and Finance**

- i. HR, Payroll and Finance are responsible for ensuring due process is followed and that all claims are in line with PC24 procedures and the employees' terms and conditions of employment.

- ii. HR, Payroll and Finance are responsible for investigating the circumstances surrounding any errors which occur and for minimising and preventing similar errors occurring again in the future. They are also responsible for ensuring appropriate action is taken for the reporting and recovery of any overpayments in accordance with the appropriate Financial Governance arrangements.

### **3.4 All Staff**

- i. Employees should regularly check their payslips and make their Line Managers aware of any incorrect payments as soon as they become aware of them.  
Where the Line Manager is unable to resolve any issues, these will be referred on to the Payroll team.
- ii. If an employee fails to report the overpayment which then continues over a period of time and it is later discovered that the employee dishonestly failed to report the overpayment knowingly, the matter will be immediately escalated to the Director of Finance for risk assessment and potential further investigation through the organisation's disciplinary and/or counter fraud processes. If it can be proven the employee in receipt of the overpayment acted dishonestly for example by keeping and spending it, this could amount theft and therefore gross misconduct.
- iii. If an overpayment was generated through fraudulent means, as opposed to by mistake or an employee fails to disclose information or makes false declarations, the matter will be immediately escalated to the Director of Finance for risk assessment and potential further investigation through the organisations disciplinary and/ or counter fraud processes. If proven this could also lead to potential criminal action.

#### **4.0 RECOVERY OF OVERPAYMENTS OF SALARY/ALLOWANCES AND EXPENSES PROCEDURE**

- i. The following procedure will be followed in circumstances where an overpayment has been made to an employee's salary, any allowance that may have been claimed or expenses, such as travel or subsistence. This list is not intended to be exhaustive.
- ii. Employees are paid on the 25<sup>th</sup> of every month (or the earliest closest date if the 25<sup>th</sup> falls on a weekend or bank holiday).
- iii. If the overpayment is discovered in the month it is paid, arrangements will be made to recover the overpayment in full the following month on the basis that the employee knows of the overpayment and should not have spent it within that time.
- iv. Where the overpayment is discovered in a subsequent month (i.e. other than the month in which it occurred), repayment will normally be made over a longer period of no more than 3 months.
- v. Overpayments will normally be deducted from the employee's salary although they may alternatively request to pay by cheque or bank transfer.
- vi. In circumstances where the recovery of the overpayment at the proposed rate would cause financial hardship, HR / Finance will consider the circumstances of the case on an individual basis and consideration will be given to extending



the repayment period. This may involve requests for income and expenditure information.

- vii. In all cases the employee will be contacted by telephone in the first instance (wherever this is practical and possible) by their line manager who will explain the reason for the overpayment and the period over which repayment will be made in accordance with the legal provisions set out in section 2 (v) above. In all instances the employee will be provided with a written breakdown of the overpayment together with the reasons and the agreed period over which the overpayment will be recovered. The Manager will also inform HR and Finance.
- viii. Where the Line Manager has tried to contact an employee or has not received any response or agreement to their requests to recover the monies then the Line Manager will ask to arrange a meeting with the employee. If this too proves unsuccessful, then the employee will be notified that the monies will be recovered without their explicit consent.
- ix. If the employee leaves, then any overpayment will be recovered from their final salary. Where the final salary is insufficient to recover the overpayment then arrangements will be made with the individual to recover the balance. If the individual fails to repay the outstanding balance the matter may be referred to a debt recovery agency who will pursue recovery on behalf of PC24. In certain situations PC24 may consider civil action to recovery monies owed to it.
- x. Where an overpayment is discovered after an employee has left PC24, Finance will send a letter by recorded delivery to the employee requesting the overpayment is made in full by bank transfer or cheque. Where an ex-

employee contacts the HR/Finance Team to discuss arrangements for the repayment of the debt by instalments, repayment will be agreed on a “reasonableness” basis. Payment can be arranged via a standing order. In the event the individual fails to respond or make the necessary repayments, the matter may be referred a debt recovery agency who will pursue recovery on behalf of PC24.

## **5.0 UNDERPAYMENTS**

- i. If a member of staff believes that they have been underpaid they should discuss this with their Line Manager in the first instance. If a discussion is then required with Payroll the employee should contact the Human Resources department..
- ii. Once an underpayment is identified this would normally be rectified in the following month. If it is the fault of the organisation a special payment can be arranged under special circumstances.
- iii. Underpayments caused by late or incorrect submission of information by Line Managers will be rectified the following month, unless a request is made and agreed for an emergency payment.

## **6.0 RELATED POLICIES**

Grievance Policy (PC24POL15)

Disciplinary Policy (PC24POL14)

Standing Financial Instructions (PC24SFI)

Anti-Fraud, Anti-Bribery and Anti-Corruption Policy (PC24POL101)

## **7.0 MONITORING AND COMPLIANCE**

An annual report will be submitted to the Audit Committee to provide assurance that this policy is being applied consistently and fairly.

## **8.0 TRAINING**

All staff will be made aware of this policy and Human Resources will provide managers support in their role to ensure that all matters are dealt with fairly and consistently.

## **9.0 EQUALITIES AND HEALTH INEQUALITIES**

PC24 is committed to an environment that promotes equality and embraces diversity in its performance as an employer and service provider. It will adhere to legal and performance requirements and will mainstream equality and diversity principles through its policies, procedures and processes. This policy has been implemented with due regard to this commitment. To ensure that the implementation of this policy does not have an adverse impact in response to the requirements of the Equality Act 2010 this policy has been screened for relevance during the policy development process and a full equality impact analysis conducted where necessary. PC24 will take remedial action when necessary to address any unexpected or unwarranted disparities and monitor practice to ensure that this policy is fairly implemented.

## **10.0 PERSONAL INFORMATION**

PC24 is committed to an environment that protects personal information aspects in the development of any policy. When proposing change there is a new requirement for policy writers to investigate when the personal information aspect of the policy complies with the data protection principles in Schedule 1 of the Data Protection Act 2018. All individuals with

responsibility for reviewing/writing policies should consider Privacy Impact Assessment compliance.

This policy complies with the Data Protection Act 2018, therefore no Privacy Impact Assessment is necessary.



# Equalities and Health Inequalities – Screening Tool

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Name of Service: PC24 Policy / PC24POL124

Date of Ratification:

Version number: V3 08 Dec 20

First published: November 2016

To be read in conjunction with Equalities and Health Inequalities Analysis Guidance, Quality & Patient Safety Team, Primary Care 24, 2016.

Prepared by: Quality & Patient Safety Team.

## Introduction

The purpose of this Screening Tool is to help you decide whether or not you need to undertake an Equality and Health Inequalities Analysis (EHIA) for your project, policy or piece of work. It is your responsibility to take this decision once you have worked through the Screening Tool. Once completed, the Head of your SDU or the Quality & Patient Safety Team will need to sign off the Screening Tool and approve your decision i.e. to either undertake an EHIA or not to undertake an EHIA.

The Quality and Patient Safety Team can offer support where needed. It is advisable to contact us as early as possible so that we are aware of your project.

When completing the Screening Tool, consider the nine protected characteristics and how your work would benefit one or more of these groups. The nine protected characteristics are as follows:

1. Age
2. Disability
3. Gender reassignment
4. Marriage and civil partnership
5. Pregnancy and maternity
6. Race
7. Religion and belief
8. Sex
9. Sexual orientation

A number of groups of people who are not usually provided for by healthcare services and includes people who are homeless, rough sleepers, vulnerable migrants, sex workers, Gypsies and Travellers, Female Genital Mutilation (FGM), human trafficking and people in recovery. Primary Care 24 will also consider these groups when completing the Screening Tool:

The **guidance** which accompanies this tool will support you to ensure you are completing this document properly. It can be found at:

<http://extranet.primarycare24.co.uk/>

## Equality and Health Inequalities: Screening Tool

**A**

**General information**



<b>A1</b>	Title: Recovery of Overpayments Policy					
<b>A2.</b>	<p>What are the intended outcomes of this work?</p> <p>To ensure that salary overpayments are recovered appropriately and consistently across the organisation. To ensure that all staff receive the payment that they are entitled to and that no individuals receive a personal gain for an overpayment.</p>					
<b>A3.</b>	Who will be affected by this project, programme or work? Any staff who receive an overpayment in their salary					
<b>B</b>	<b>The Public Sector Equality Duty</b>					
<b>B1</b>	<p>Could the initiative help to reduce unlawful discrimination or prevent any other conduct prohibited by the Equality Act 2010? If yes, for which of the nine protected characteristics (see above)?</p> <table border="1"> <tr> <td>Yes</td><td></td><td></td></tr> </table> <p>Summary response and your reasons: Yes. The mechanisms in place in this policy and procedure ensure that all protected characteristics are taken into account and that the organisation cannot operate in a discriminatory way with any staff member.</p>			Yes		
Yes						
<b>B2</b>	<p>Could the initiative undermine steps to reduce unlawful discrimination or prevent any other conduct prohibited by the Equality Act 2010? If yes, for which of the nine protected characteristics?</p> <table border="1"> <tr> <td></td><td>No</td><td></td></tr> </table> <p>Summary response and your reasons: No – The policy and procedure provides a mechanism for all employees' personal circumstances (which may include any of the 9 protected characteristics) to be considered fairly and consistently, with any overpayments agreed taking these into account</p>				No	
	No					
<b>B3</b>	<p>Could the initiative help to advance equality of opportunity? If yes, for which of the nine protected characteristics?</p> <table border="1"> <tr> <td>Yes</td><td></td><td></td></tr> </table>			Yes		
Yes						

	Summary response and your reasons: Yes. The recovery of overpayments by the organisation will be arranged via consultation with the employee in question and consideration will be made to their own individual circumstances. Whilst all protected characteristics may be	
	taken into account in reaching agreement, all employees will be treated with equity at all times via the application of the policy	
B4	Could the initiative undermine the advancement of equality of opportunity? If yes, for which of the nine protected characteristics?	
		No
	Summary response and your reasons: No – see above	
B5	Could the initiative help to foster good relations between groups who share protected characteristics? If yes, for which of the nine protected characteristics?	
		No
	Summary reasons: No – This policy acts on a case-by-case basis, maintaining confidentiality of individual circumstances at all times and agreed actions would therefore not be appropriate to be shared between groups regardless of their constitution	
B6	Could the initiative undermine the fostering of good relations between groups who share protected characteristics? If yes, for which of the nine protected characteristics?	
		No
	Summary response and your reasons: No. See above	
C	<b>The duty to have regard to reduce health inequalities</b>	
C1	Will the initiative contribute to the duties to reduce health inequalities?	
	Could the initiative reduce inequalities in access to health care for any groups which face health inequalities? If yes for which groups?	
		No

	Summary response and your reasons: No		
<b>C2</b>	Could the initiative reduce inequalities in health outcomes for any groups which face health inequalities? If yes, for which groups?		
		No	
	Summary response and your reasons: No		

<b>D</b>	Will a full Equality and Health Inequalities Analysis (EHIA) be completed?		
<b>D1</b>	Will a full EHIA be completed? Bearing in mind your previous responses, have you decided that an EHIA should be completed? Please see notes. <sup>1</sup> Please place an X below in the correct box below. Please then complete part E of this form.		
	Yes	Cannot decide	No
			X
<b>E</b>	Action required and next steps		
<b>E1</b>	If a full EHIA is planned: Please state when the EHIA will be completed and by whom. Name: Date:		

<sup>1</sup> Yes: If the answers to the previous questions show the PSED or the duties to reduce health inequalities are engaged/in play a full EHIA will normally be produced. No: If the PSED and/or the duties to reduce health inequalities are not engaged/in play then you normally will not need to produce a full EHIA.

<b>E2</b>	<p>If no decision is possible at this stage:</p> <p>If it is not possible to state whether an EHIA will be completed, please summarise your reasons below and clearly state what additional information or work is required, when that work will be undertaken and when a decision about whether an EHIA will be completed will be made.</p> <p>Summary reasons:</p> <p>Additional information required:</p> <p>When will it be possible to make a decision about an EHIA?</p>
<b>E3</b>	<p>If no EHIA is recommended: The Policy relates to staff only and will have no impact on the public. The policy will be applied consistently across all staff groups and will ensure that staff are paid correctly and no staff make an unfair gain from an overpayment that they have no legal entitlement to, ensuring equality across all staff.</p> <p>If your recommendation or decision is that an EHIA is not required then please summarise the rationale for this decision below.</p> <p>Summary reasons: This policy has been consulted on by the Quality &amp; Patient Safety Team. There is no negative impact with respect to the characteristics as defined by the Equality Act.</p>

<b>F</b>	<i>Record Keeping</i>		
<b>Lead originator:</b>	Heledd Cooper	Date:	May 2020
<b>Director signing off screening:</b>		Date:	
<b>Directorate:</b>		Date:	
<b>Screening published:</b>		Date:	

