Overpayments

Unfortunately, there are occasions when personnel actions such as separation or leave without pay are not processed timely. Many times the late action will result in an overpayment to the employee. When overpayments occur they must be recouped from the employee. If an employee is still employed at LSU then the overpayment will be deducted from future paychecks. If an employee has separated, then an accounts receivable will established and monthly billing statements issued.

When an overpayment is not recouped in the same calendar year it occurs the employee may be subject to adverse tax consequences. Special IRS rules that apply in these situations are explained in IRS Publication 525.

Salary overpayments cannot be charged to a grant account. Therefore, any overpayments that occur on grants will be transferred to the department operating account.