

## **INCORRECT WAGE PAYMENT**

Any employer can sometimes miscalculate the wages for its employee(s). This can either lead to underpayment or overpayment. The remedy is different in each case.

### **Underpayment:**

The City owes its employees the proper wages under the terms of the MOU. An underpayment must be corrected by a supplemental payment as soon as possible after the mistake is brought to the attention of the City to avoid a breach of contract.

If an employee is not paid for hours worked, the first step is to determine if the employee properly reported the hours. If not, that must be corrected and processed in the same way reported hours are normally processed. If the employee reported the proper hours and someone else changed those hours, the employee should begin the grievance process by holding the informal meeting with her/his supervisor.

If an employee is paid for the correct hours, but the hourly wage rate is incorrectly low, this is also grievable.

### **Overpayment:**

If the City has overpaid an employee, either by paying for an incorrect number of hours or by using an incorrect hourly rate, it is entitled to recoup the overpayment, but only after following the proper procedure.

1. The City cannot unilaterally deduct the overpayment amount from an employee's check as this constitutes an illegal garnishment of wages.
2. The City must document the overpayment.
3. The City must negotiate a mutually acceptable and reasonable repayment schedule with the employee.
4. These issues were addressed by the State Supreme Court in 1989.

The rules are somewhat different in the two cases because the employer is assumed to have the proper amounts of money available to compensate its employees in accordance with its labor contract. The employee, on the other hand, is not assumed to have a reservoir of cash to immediately repay an overpayment of which the employee may not have been aware. The best way to avoid any problems is to check your pay stub each pay period and ask questions if something seems incorrect.