

MEMORANDUM

State of Alaska
Department of Administration
Division of Labor Relations

To: Mila Cosgrove, Director
Division of Personnel
All Technical Services staff
All Management Services staff

Date: February 13, 2006

From: Art Chance
Director

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Subject: Overpayments

Various collective bargaining agreements outline conditions under which the employer can forgive overpayments. For example, the Supervisory Agreement contains language that requires us to forgive overpayments discovered after one (1) year from the time the overpayment was made, unless the overpayment was the result of fraud, deception or the employee's negligence.

This means that for SU employees who were overpaid, no more than last year's overpayments can be collected. Consequently, in the case of continuing overpayments, for example due to an incorrect step placement, only the payments made during the last year can be collected. For example: a SU employee has been paid at too high a step for the last 3 years; only the overpayments paid out within the last year can be collected. The overpayments that happened more than one year ago have to be forgiven.

This same logic applies to other collective bargaining agreements that have similar language.

cc: All LR staff
LR web-site
APT