

# Overpayment of Terminated Employee Leave Balances

When an employee terminates from GW, they are paid out their accrued but unused annual time balances. If a department does not maintain accurate leave records and an employee is paid out more leave than they should have, this creates an overpayment of wages. Payroll will pursue any overpayments owed through the collections process. This can have potential negative effects on an employee's credit so it is vital that terminations are communicated to each department (HR/Payroll/Benefits) in a timely matter with accurate leave balances. Here are some tips to calculate time off accruals and avoid an overpayment in an employee's leave balance payout.

1. Train new employees on their respective departments' leave tracking systems as part of the onboarding process so they know how to request leave and track their time off. Refresher trainings offered throughout the year will also ensure your team is following the correct processes involved in managing their leave responsibly.
2. Accruals will occur on the last working day of the month, meaning there is no pro-rated accrual when an employee leaves the university before the last day of the month.
3. Be sure to review leave records before approving a leave request to ensure there is a balance available. Check to see if the employee experienced any changes that would affect their leave balance such as unpaid leave, change in status, or carryover hours.

***Suggestion:** Supervisors should receive biweekly or monthly reports from their timekeepers to confirm if leave has been used in excess and accrual rates are being applied correctly.*

4. Accrual rate changes are effective the first of the month following the anniversary date. For example, if an employee was hired on 3/18, the change in accrual rate would apply on 4/1.
5. As soon as an employee submits a resignation notice, please notify HR, Benefits, and Payroll. This will allow all departments to proactively review time off accruals and identify an overpayment situation before the employee's last paycheck is issued.
6. Leave records should be submitted along with the Change in Status form or a note/memo attached indicating the leave record is coming to ensure timely processing. Records should include a signature authorization from both the employee and supervisor verifying their use of annual/sick leave in detail. If an employee is transferring to a new position or experiences a change in status such as regular part-time to regular full-time, please refer to the Change in Employment Status chart below for further guidance.



Change in Employment Status		
Transfer From	Transfer To	Effect on Annual Time
Regular Full-Time	Regular Part-Time	Carry over up to five days; any accrued but unused time in excess of the five days will be paid out.
Regular Part-Time	Regular Full-Time	Retain all unused, accrued annual time.
Regular Position	Temporary Position	Paid out for any accrued but unused annual time calculated on the number of months employed during the fiscal year; this will be paid at the employee's base rate exclusive of shift differential and overtime premiums.
Former Employee	Rehired in a regular full-time position within one year of effective date of separation or retirement	The accrual rate in effect at the time of separation or retirement is reinstated.