

Office of State Uniform Payroll	
Procedure Title: Employee Claims Processing	Revision Date: 03/12/2018
	Issue Date: 09/09/2014
Unit: Wage and Tax Administration	Page Number: 1 of 7
Contact: _DOA-OSUP-WTA@la.gov	

What are claims and how are they created?

Claims are employee compensation overpayments that have not been recovered from an employee. Claims are created primarily by retroactive separations or retroactive time entries that cause the system to recalculate payroll payments for a previous pay period. When these recalculations occur and the system detects a wage or deduction difference, this difference is carried forward into the current pay period. If the current pay period gross is less than the calculated difference coming forward, a claim results. Review detailed information about claims on the [OTS Website](#).

Claims on active employees will be recouped from pay received in future pay periods. Claims on separated employees must be handled manually by collecting a check or money order from the employee.

How does the Office of Technology Services (OTS) remove claims from LaGov HCM?

At the end of each quarter, OTS removes claims on separated employees only. Removing a claim means that the claim is cleared from the employee’s record in LaGov HCM and the balance is recorded on a spreadsheet that is maintained by OTS. OTS updates (blocks) the employee’s record to prevent the employee from processing through payroll. After an established time frame and procedure, debt that is greater than \$25.00 will be turned over to the Office of Debt Recovery (ODR) by the Office of State Uniform Payroll (OSUP) for collection. Once this occurs, the payroll block will be removed from the employee’s record.

The claims spreadsheet is sent to OSUP each quarter for reporting to agencies the total amount of unbudgeted expenditures that occurred due to overpayments to separated employees. OSUP forwards this information to agencies semi-annually, and agencies are required to research and resolve these balances. The claims report each agency receives semi-annually from OSUP provides the personnel area, personnel number, personnel name, and the gross claim/overpayment amount for each separated employee claim. Each entry indicates the quarter in which the claim/overpayment was created as well as any payments made on this balance. If the agency contacted the LaGov HCM Help Desk after the quarter end date to report any changes or funds collected on this outstanding balance, then that information will not be reflected on the report. All employees listed are separated and a payroll block has been placed on the employee’s record. These amounts will no longer be reflected on the Payroll Reconciliation Report (ZP145).

Each agency’s claims report will be sent separately from the memo directly to the HR Personnel listed on LaGov HCM report ZP200 (Agency Contacts for HR Director and HR Employee Administrator).

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OTS also clears claims on active employees at the end of each calendar year. This is done in order to report the employee’s wages correctly on the W-2. After the W-2 process is complete, OTS re-establishes the claim on the employee’s record in LaGov HCM.

Note: When OTS/OSUP refer to “clearing a claim” they are referring to the claims process in LaGov HCM, not the actual repayment of the overpayment.

How do I research claim balances?

Agencies should run the Payroll Reconciliation Report (ZP145) biweekly to review claim activity for active employees. Agencies should also run ZP145 and the Remuneration Statement (ZP106) to review claim information on separated employees using the following parameters:

- For ZP145: Select the variant “SOL_CLAIMS”, and then enter the personnel area and the employee’s personnel number. Review the “current period” column. If there is a pay period, the claim was created during regular payroll. If there is a date with a BO next to it, the claim was created during an off-cycle.
- For ZP106: For a claim that was created during regular payroll, select the variant “/SOL_ZP2P”, and then select “Other Period” and enter the pay period date from the ZP145 report. Finally, enter the employee’s personnel number, the personnel area, and execute. For a claim that was created during an off-cycle, select the variant “/SOL_ZP2P”, and then enter the employee’s personnel number and the personnel area. Finally, enter B, O, and the off-cycle date obtained from the ZP145 report in the Special Run fields.

Research master data/time data that was entered for that pay period. If it is determined that the original entries were incorrect, correct the data and simulate a current period correction payment (ZY08) to determine if the correction resolves the claim. Do not store this simulation as it will be picked up in the next payroll run. If the claim is not resolved, then additional research should be done to identify the cause of any remaining balance. If it is determined that there is an overpayment, refer to the information below for recouping the overpayment.

What should agencies do to resolve claim issues?

OSUP is requiring that all claims listed be researched to authenticate the amount. By authenticating the debt, the agency is agreeing that the employee has been overpaid, the amount of the overpayment is correct, and the employee does owe the money to the agency. If it is determined that the claim amount is incorrect or repayment has been made (full or partial), contact the [LaGov HCM Help Desk](#) for assistance and/or to record the payment in LaGov HCM. If the claim is correct and repayment has not been received, the agency must contact the employee

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to attempt to recoup these overpayments pursuant to the [Rule on Recoupment of Overpayments](#) (see LAC 4:III.Chap. 7). This may include sending up to two, separate letters to the overpaid employee. Refer to page 4 of this procedure for more information regarding the letters. **Only debt balances greater than \$25.00 qualify to be placed with ODR. Any debt of \$25.00 or less will not be referred to ODR; therefore, agencies must attempt collection of this debt on their own.**

For separated employees, the amounts reported to each agency on the semi-annual spreadsheet are gross amounts. Depending on when the debt is collected (all in the current year or in subsequent years) determines if the gross or net amount must be collected. If the claim is authentic, delinquent, and has not been referred to the ODR by OSUP, then the LaGov HCM Help Desk must be contacted to obtain the net amount to collect. If an employee responds to either of the letters referenced above and agrees to repay the debt directly to the agency, then the full amount provided should be collected by the end of the current calendar year. If this does not happen, a corrected amount must be requested from the Help Desk prior to collecting payments in any subsequent year due to possible tax adjustments. Contact the LaGov HCM Help Desk immediately upon receipt of a check or money order from a separated employee. The payment will be recorded on the OTS claims spreadsheet to reflect the true balance of the claim. If, at any point, the employee stops the repayment, then the debt will be transferred to the ODR for collection.

For active employees, the system will attempt to collect the claim on the next payroll cycle. If an agency wants to prevent the entire claim balance from being withheld from the employee, the agency can request a payment plan be set up by following the [Offsets and Recoupments](#) procedure found on the [OSUP Procedures](#) page. If requesting a payment plan beyond 26 pay periods, that request must be approved by OSUP. If the employee wishes to pay the amount owed by check, the agency must get prior approval from OSUP and then contact the LaGov HCM Help Desk for the amount to collect. The amount provided should be collected by the end of the current calendar year. If this does not happen, a corrected amount must be requested from the LaGov HCM Help Desk prior to collecting payments in any subsequent year due to possible tax adjustments.

Agencies must ensure that separation actions are handled timely in order to reduce the need for retroactive separation processing. Internal controls and procedures should be in place to ensure managers/supervisors and time administrators in field offices provide timely and accurate communication to HR staff regarding an employee who is deceased, transferring to another agency, retiring, terminating employment, or had time entry entered incorrectly.

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OSUP is aware that some of these employees may be deceased. For those employees that are marked as “deceased” in LaGov HCM, OSUP will no longer report these items as outstanding on the claims reports. If an agency is aware that an employee is deceased and they are still listed as outstanding on the report, please contact OSUP and that item will be removed from the next report.

Immediate Action Required to recover overpayments from separated employees

[Act 399](#) of the 2013 Legislative Session created the ODR within the Department of Revenue. This Act, through La. R.S. 47:1676, established the ODR as a centralized debt collection unit authorized and required to collect delinquent debt owed to the State of Louisiana. All final debt claims with no response that are greater than \$25.00 will be turned over by OSUP, on behalf of LaGov HCM paid agencies, to the ODR for collection. OSUP will report the **gross** amount of the debt, and the ODR may charge an additional collection fee of up to 25% to the employee’s current debt. A claim will be filed with the UNITED STATES TREASURY OFFSET PROGRAM. All payments “eligible for offset” will be seized, up to the amount of the debt plus any additional fees.

For all payroll claims reported with the semi-annual claims memo:

1. OSUP will issue memoranda reporting the total outstanding employee claim/overpayment balances for each agency twice yearly.
2. **Agency personnel will research each claim, authenticate the amount, and attempt to collect the overpayment from the employee. Refer to page 3 of this procedure to determine the applicable amount to collect. If the claim amount is incorrect, the agency must make master data changes and work with the LaGov HCM Help Desk to remedy the issue.**
Note: By authenticating the debt, the agency is agreeing that the employee has been overpaid, the amount of the overpayment is correct, and the employee does owe the money to the agency.
3. Once the debt is authenticated, the agency must send a final debt 60 day notice to each employee by the deadline in the semi-annual claims memo. [See draft letter A.](#)
4. 30 days after the date the 60 day letter was sent, the agency must send a 30 day reminder notice to those employees who have not yet responded to the first letter. [See draft letter B.](#)

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5. After both letters are mailed and the 60 days have passed, agencies must return the spreadsheet report to OSUP with the pertinent information. The completed spreadsheet must be returned via email to _DOA-OSUP-WTA@LA.GOV by the deadline in the semi-annual claims memo.
6. The Agency Undersecretary must sign the attestation form (OSUP/F102) certifying the debt is authentic and delinquent. This form authorizes OSUP to send the debt to the ODR for collection on the agency's behalf. In addition, the agency must submit a separate list of debt that is being certified to send to ODR. Both documents must be returned by the deadline in the semi-annual claims memo.

Note: Before attesting debt, ensure employees have been provided sufficient documentation to substantiate the overpayment. If an employee disputes the overpayment, the debt should not be sent to OSUP with the attestation until the dispute has been resolved.

When an agency returns the list of authentic and delinquent debt along with the signed attestation form to OSUP, the agency is officially authenticating that the employee has been overpaid, the amount of the overpayment is correct, the employee owes the money to the agency, and all required measures have been taken to notify the employee of the debt.

7. If the employee does not respond to the letters and the agency Undersecretary has certified the debt, then it will be forwarded to the ODR for collection. Only OSUP will report this debt to the ODR, not the agency.
8. **Once submitted to the ODR for collection, the payroll block will be removed from the employee's record, and these payroll claims will no longer be reported to the agency semi-annually. Do not accept any more payments from the employee. Instead, refer the employee to the ODR to settle the account balance. The ODR is now responsible for collecting this debt, not the agency.**
9. Any money collected from the ODR will be transferred by ODR to each individual agency. The ODR will notify agencies and OSUP of any delinquent funds collected.
10. Agency fiscal staff shall follow budget guidelines for depositing/classifying the funds.

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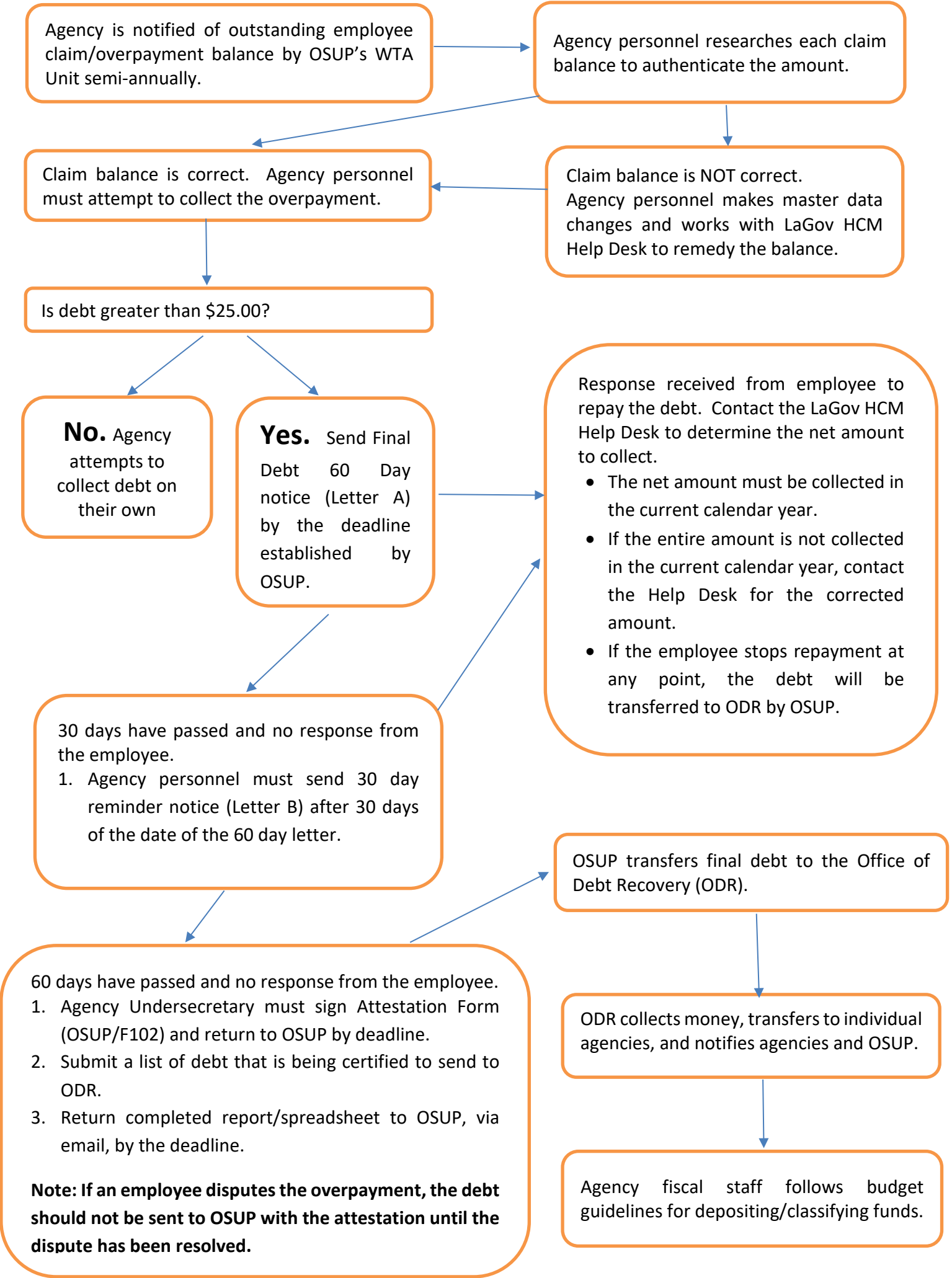
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What resources are available to agencies?

OTS has many tools available for HR and time administration staff to utilize such as LaGov HCM reports, LaGov HCM on-line help, the [LaGov HCM Help Desk](#), and LaGov HCM training classes. Agencies should use these tools to assure accurate and timely master data and time file entries. If additional training or assistance is needed, contact the LaGov HCM Help Desk. A list of recommended reports can be found on the [Payroll Reports Calendar](#) located on the OTS website. For questions about claims processing, agencies can submit a [LaGov HCM Help Desk ticket](#).

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Separated Employee Claims Processing Flowchart



Agency is notified of outstanding employee claim/overpayment balance by OSUP's WTA Unit semi-annually.

Agency personnel researches each claim balance to authenticate the amount.

Claim balance is correct. Agency personnel must attempt to collect the overpayment.

Claim balance is NOT correct. Agency personnel makes master data changes and works with LaGov HCM Help Desk to remedy the balance.

Is debt greater than \$25.00?

No. Agency attempts to collect debt on their own

Yes. Send Final Debt 60 Day notice (Letter A) by the deadline established by OSUP.

Response received from employee to repay the debt. Contact the LaGov HCM Help Desk to determine the net amount to collect.

- The net amount must be collected in the current calendar year.
- If the entire amount is not collected in the current calendar year, contact the Help Desk for the corrected amount.
- If the employee stops repayment at any point, the debt will be transferred to ODR by OSUP.

30 days have passed and no response from the employee.
 1. Agency personnel must send 30 day reminder notice (Letter B) after 30 days of the date of the 60 day letter.

OSUP transfers final debt to the Office of Debt Recovery (ODR).

60 days have passed and no response from the employee.
 1. Agency Undersecretary must sign Attestation Form (OSUP/F102) and return to OSUP by deadline.
 2. Submit a list of debt that is being certified to send to ODR.
 3. Return completed report/spreadsheet to OSUP, via email, by the deadline.

ODR collects money, transfers to individual agencies, and notifies agencies and OSUP.

Note: If an employee disputes the overpayment, the debt should not be sent to OSUP with the attestation until the dispute has been resolved.

Agency fiscal staff follows budget guidelines for depositing/classifying funds.