



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

March 30, 2012

ADMINISTRATIVE DIRECTIVE NO. 12-03

TO: All Department & Agency Heads

SUBJECT: Salary and Wage Overpayments

DIRECTIVE:

All departments of the State of Hawaii shall use their best efforts to (1) minimize salary overpayments of employees, and (2) actively pursue all remedies available to recover salary overpayments.

RESPONSIBILITIES:

- I. **Directors.** It shall be the responsibility of each director to be familiar with all applicable laws, rules, policies and procedures regarding salary overpayments. Furthermore, it shall be the responsibility of all directors to institute and enforce internal policies and procedures that address the following:
 - A. **Minimize Salary Overpayment**
 - Ensure that employees are not overpaid;
 - Immediately report all employment actions to designated departmental contacts.
 - Promptly enter employment actions into the Human Resource Management System (HRMS);
 - Ensure that the "leave accounting" for all employees are up-to-date and regularly audited; and
 - Ensure that all employees have access to their current leave balances.
 - B. **Audit Vacation and Compensatory Time Off Payout**

Ensure that any payouts for vacation and compensatory time off (CTO) are not authorized for an employee until the employee's Form-7 has been fully and completely audited.

C. Recover Salary Overpayment

- Immediately execute recovery efforts to recoup any salary overpayment;
- Regularly monitor the progress of recovery efforts;
- Ensure the best interests of the state are represented in any recovery settlement; and
- Provide full support and complete documentation to the Office of the Attorney General, in its efforts to recover salary overpayments.

D. Notify ERS

Immediately report all salary overpayments, regardless of whether the overpayment has been recovered, to the State's Employees' Retirement System (ERS).

II. Comptroller. It shall be the responsibility of the Comptroller to:

- Oversee and review the salary overpayment occurrences and recovery efforts of the departments;
- Promulgate statewide-procedures for recovering salary overpayments from active employees;
- Develop salary overpayment reporting procedures for all departments; and
- Monitor the departments' overpayment and recovery activities for any trends and notify the directors of unusual or stagnant activity.

III. Attorney General. It shall be the responsibility of the Attorney General to:

- Establish procedures for the collection and recovery of salary overpayments from former employees; and
- Ensure that all salary overpayment recovery efforts are vigorously pursued and regular reports are provided to the departments and the Comptroller on the status of such efforts.

EFFECTIVE DATE:

This Administrative Directive is effective immediately and shall supersede all prior Administrative Directives, and any conflicting memoranda from any department or Administration, regarding salary overpayments.

NEIL ABERCROMBIE
Governor, State of Hawai'i