

## **SALARIES/WAGES**

### **Background**

Employee salaries shall be paid on a monthly basis in accordance with the terms of the appropriate legislative acts of the Province of Alberta and Collective Agreements.

### **Procedures**

1. While the Division maintains internal checks and controls, it is the employee's responsibility to monitor his/her pay and immediately report discrepancies to the payroll section of the Finance Department.
2. Underpayment of Earnings
  - 2.1 Where an underpayment of earnings has occurred, as a result of an error in payroll calculation, the employee will be paid all owed salary or wages on the next regular pay cycle following the discovery of the error.
3. Overpayment of Earnings
  - 3.1 Where there is an error in the payment of salary or wages and the employee is overpaid, the Division will recover from the employee an amount of salary or wage overpayment that occurs in a maximum of a six (6) month period.
  - 3.2 Payroll will immediately notify the employee, verbally and by letter over the signature of the Finance Manager, explaining the circumstances that caused the error and identifying a repayment schedule if applicable.
  - 3.3 The letter will be placed in the employee's payroll file.
  - 3.4 Written authorization from the employee will generally not be required as the deduction is seen as simply a valid deduction resulting from an honest error.
  - 3.5 As overpayments are the responsibility of employers to collect, the recovery will be done in such a way that is both consistent for all employees affected and minimizes inconvenience to the employees as much as possible.
4. Collection of Salary or Wage Overpayments
  - 4.1 Collection will be done in a way that is both consistent for all affected employees and minimizes inconvenience to the employee(s) as much as possible.
  - 4.2 Special circumstances may be considered and every effort is to be made for repayment within the current fiscal year.
  - 4.3 If the salary or wage overpayment occurred in the current tax year, the gross (before taxes) overpayment will be deducted from the employee's pay.

- 4.4 If the salary or wage overpayment occurred in a previous tax year or the employee is no longer active on the payroll, the net (after taxes) overpayment will be collected, and an amended T4 will be issued.
  - 4.5 If the employee elects a repayment schedule, the following repayment schedules are suggested:
    - 4.5.1 If the amount to repay is less than thirty percent (30%) of regular earnings – repay in one (1) payment.
    - 4.5.2 If amount is greater than thirty percent (30%) and less than fifty percent (50%) of regular earnings – repay in two (2) payments.
    - 4.5.3 If amount is greater than fifty percent (50%) and less than one hundred percent (100%) of regular earnings – repay in three (3) payments.
    - 4.5.4 If amount is greater than one hundred percent (100%) of regular earnings – repay in thirty percent (30%) installments until paid in full.
  - 4.6 Non-compliance of salary or wage repayment will be forwarded to a collection agency.
5. In accordance with the Local Authorities Pension Plan (LAPP), in the event an employee works in an acting capacity and receives acting pay for working in that position, that effective January 1, 2008, the acting pay is to be considered to be pensionable salary for purposes of LAPP.

Reference: Section 60, 61, 111, 113, 116 School Act  
Employment Standards Code  
Labour Relations Act  
Local Authorities Pension Plan  
Section 248L, Canada Tax Act  
Canada Income Tax Regulation 6801  
Collective Agreements