2022 Year-End Overpayment Recovery Deadlines

The Internal Revenue Service (IRS) states that repayment of a payroll overpayment must occur in the same year as the overpayment. This repayment ensures that the employee’s earnings and taxes for the current year are correctly reflected in their W-2 issued in January.

Please share the information below with employees who have overpayments and with those who submit overpayment adjustment requests.

Important Deadlines:

- Please submit adjustment requests for overpayments occurring from January 1 through November 15, 2022, by November 18, 2022. UCPath may not be able to process requests received after November 30, 2022, before year-end.
- Employees must repay the net amount of the overpayment (gross earnings less taxes and deductions) by December 31, 2022. If payment is not received by December 31, 2022, the employee’s W-2 will include the amount overpaid and applicable federal and state withholding taxes.

Tip: Send adjustment requests via the UCPath self-service transaction "Overpayment Adjustment (E-078)" as soon as the overpayment is identified.

What happens if I do not submit adjustments before the end of the year?

- Overpayments not corrected before December 31, 2022, will be processed in 2023 as prior-year overpayments, and the employee will owe unrecoverable taxes.

Other Important Details:

- Be sure to notify employees with outstanding overpayments so they can arrange for repayment before December 31, 2022.
- Employees who have previously agreed to repayment terms are not subject to this deadline.
- If repayment is not made in 2022, the employee must repay a higher amount since withheld taxes cannot be adjusted in subsequent years.

Location teams or employees holding paychecks for pay that is not due must return them to UCPath immediately. Employees may return uncashed checks to UCPath via U.S. Mail at the address below, along with a note indicating that the check is related to an overpayment. UCPath will reverse the returned check to ensure that the employee’s 2022 W-2 is correct.

Location teams may return checks to UCPath on behalf of employees via case submission or via U.S. Mail:

- **Return checks via case submission:**
  - Open a case with the check attached
  - Request to have the check reversed
  - Include the phrase "Do not reissue" when submitting the case

- **Return checks via mail:**
  - UCPath, 14350-1 Meridian Pkwy, Riverside, CA 92518

Thank you,

UCPath