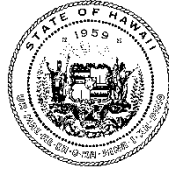


DAVID Y. IGE  
GOVERNOR



Roderick K. Becker  
Comptroller

Audrey Hidano  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

June 2, 2017

**COMPTROLLER'S MEMORANDUM NO. 2017-16**

TO: Heads of Departments and Agencies

ATTN: Fiscal and Personnel Offices

FROM: Roderick K. Becker, Comptroller

A handwritten signature in black ink, appearing to read "Roderick K. Becker".

SUBJECT: Revision to Salary Overpayment Offset Procedures

Effective immediately for employees currently employed, the recovery for any new salary overpayments should be processed as an offset to the employee's semimonthly gross salary and not as a deduction by the submission of a Salary Assignment/Cancellation form (SAFORM D-60). This change will eliminate the need for departments to accumulate deduction amounts in a trust account, to prepare a Treasury Deposit Receipt (SAFORM B-13) for the full amount of the recovery and to prepare a Notification of Payroll Adjustment form (SAFORM D-70) to record the recovery in the payroll system.

Also, effective immediately, in lieu of preparing a D-70 to reclass salaries to workers compensation (WC), departments should pay the WC amount using the WC Payroll Change Schedule and pay the remaining salary amount as "Irregular Pay" on the Regular Payroll Change Schedule (see attachment). To utilize this process, the employee should have sufficient semi-monthly salary to offset the WC amount and to cover payroll deductions and taxes.

Departments should also continue to follow the procedures found on pages 4 and 5 of Comptroller's Memorandum No. 2013-02 to calculate the minimum recovery amount per pay period and to administer existing salary overpayments.

If you or your staff have questions, please call Stacy Chang at 586-3211.

Attachment

**ATTACHMENT**

To re-class salary to Workers Compensation:

Sample:               W (830.00)  
                              B 830.00

Effective Immediately:

Two steps:

- 1) Pay WC \$830.00 on the WC PCS.
- 2) Subtract \$830.00 from the employee's salary. Pay difference as "E" type pay.

Example:

Pay \$830.00 on Workers Compensation PCS

If employee's salary to be paid is \$2,000.00, subtract the salary portion and pay the employee the difference as "E" (irregular pay) on the regular PCS. Employee's deductions and taxes total \$518.00. There is sufficient salary (wages) to deduct the deductions and taxes without causing a deficit.

\$2,000.00 Semi Monthly Salary  
- 830.00 Re-class salary amount to offset  
\$1,170.00 "E" type pay on the regular PCS

The taxes will be adjusted accordingly.