



Minnesota
STATE COLLEGES
& UNIVERSITIES

Human Resources Guideline & Interpretation

Guidelines for Processing Underpayments of Salary or Wages

CMP0009

Purpose: To outline the considerations that colleges and universities and the Office of the Chancellor must take into account when processing underpayments of any or all salary or wages.

Affects: All system colleges, universities, and the office of the chancellor

Authoritative References: Not Applicable

Required Forms: None

Responsibility for Implementation:

It is the responsibility of the college or university president, in concert with the Chief Human Resources Officer, and/or the designee of the Vice Chancellor for Human Resources, to ensure that the college or university appropriately processes corrections of salary or wage underpayments. It is the responsibility of the designee of the Vice Chancellor for Human Resources to ensure that the Office of the Chancellor appropriately processes corrections of salary or wage underpayments.

Attachments: None

Introduction:

Colleges, universities and the Office of the Chancellor occasionally find it necessary to address situations where an employee has received an underpayment of salary or wages. The following procedure delineates guidelines for appropriately processing corrections of salary or wage underpayments. This procedure applies to current and former employees. This procedure does not apply to underpayment issues arising under a collective bargaining agreement; such matters will be processed in accordance with the applicable grievance procedure.

Procedure For Processing Underpayments:


1. In circumstances not covered by paragraph 2 below, where there is an underpayment, the payment will be the documented amount due for a period of up to three years preceding the date when the situation was presented in writing by the employee to the employer. In no case will interest be provided in relation to the underpayment.
2. **Employer Discretion.** Where the employer has discretion and that discretion was exercised

(including, but not limited to, situations where an error of judgment occurred), then absent any real or apparent improper motive, there is no underpayment, and no back pay will be provided pursuant to this procedure.

3. **Exceptions.** Written requests from a President or Vice Chancellor to extend or reduce the time limit described above and/or to adjust the amount of payment due shall be addressed to the Vice Chancellor for Human Resources or his/her designee, and shall be supported with appropriate written documentation of extenuating circumstances. Based on such a request, the Vice Chancellor for Human Resources or his/her designee may determine to extend or reduce the time limits detailed above and/or adjust the amount of payment due, if any.

4. **Processing Payments Under This Procedure.** Payments processed under this procedure will be paid as a lump sum subject to all applicable taxes and normal deductions. The current earning code is RPR. If the payment is the result of an underpayment in a prior fiscal year, then a Category 70 assignment must be added with the assignment type code for "Adjustment – other" for the applicable collective bargaining agreement or personnel plan.

Approved: August 27, 2006



Vice Chancellor, Human Resources

August 27, 2006

Date