

[Company Name]

[Company Address]

[City, State, Zip Code]

[Date]

[Employee Name]

[Employee ID]

[Department]

**Subject: Notification of Payroll Overpayment and Recoupment Plan**

Dear [Employee Name],

We are writing to inform you that a recent audit of our payroll records has identified an error regarding your compensation. This error occurred during the pay period(s) of [Dates/Range].

**Explanation of Error:**

The overpayment was the result of [Specific Reason, e.g., administrative data entry error, incorrect pay rate, system glitch, or duplicate payment]. As a result, you were paid a gross amount of \$[Amount Paid], whereas the correct amount should have been \$[Correct Amount]. This has resulted in a total net overpayment of \$[Overpayment Amount].

**Recoupment Plan:**

In accordance with [Company Policy/State Law], the company is required to recover these overpaid funds. We propose the following repayment schedule to minimize financial impact on you:

- **Option 1:** A single lump-sum deduction of \$[Amount] from your next paycheck on [Date].
- **Option 2:** A series of [Number] installments of \$[Amount per Installment] to be deducted from your next [Number] paychecks starting on [Date].

Please review these details and notify the Payroll Department by [Deadline Date] to confirm your preferred repayment option. If we do not hear from you by this date, we will proceed with [Default Option].

We apologize for this error and any inconvenience it may cause. If you have questions regarding the calculation of this overpayment or would like to discuss an alternative repayment timeline, please contact [Contact Person/Department Name] at [Phone Number/Email].

Sincerely,

[Signature]

[Name of Payroll Manager/HR Representative]

[Title]

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**Employee Acknowledgment:**

I acknowledge receipt of this notification and agree to the repayment plan selected below:

Option 1 (Lump Sum)

Option 2 (Installments)

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Employee Signature

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Date