

[Date]

[Employee Name]

[Employee ID]

[Address]

[City, State, Zip Code]

Subject: Notice of Overpayment and Repayment Options

Dear [Employee Name],

This letter is to inform you that an audit of our payroll records has identified an overpayment made to you during the pay period(s) of [Date Range]. The total gross amount of the overpayment is \$[Amount].

This error occurred due to [Brief Reason, e.g., administrative error / incorrect hours logged / processing delay]. We apologize for any inconvenience this may cause.

To resolve this balance, please select one of the following recovery options:

- **Option 1: Lump Sum Deduction.** The full amount will be deducted from your next scheduled paycheck on [Date].
- **Option 2: Installment Plan.** The amount will be recovered in installments of \$[Amount] over [Number] pay periods, beginning on [Start Date].
- **Option 3: Direct Repayment.** You may provide a check or electronic transfer for the full amount by [Date].

Please sign and return this form to the Payroll Department by [Deadline Date] to confirm your preferred method. If we do not receive a response by this date, we will proceed with [Default Option, e.g., Option 2].

If you have any questions regarding these calculations or wish to discuss an alternative arrangement, please contact [Contact Person/Department] at [Phone Number/Email].

Sincerely,

[Your Name]

[Title]

[Company Name]

Employee Acknowledgment:

I acknowledge the overpayment and select **Option #** ____.

Employee Signature

Date