

[Company Letterhead]

[Date]

[Employee Name]

[Employee Address]

[City, State, Zip Code]

Subject: Notice of Overpayment and Settlement Agreement

Dear [Employee Name],

This letter is to inform you that following your separation from [Company Name] on [Separation Date] while on a Leave of Absence, a final audit of your payroll account was conducted. This audit has identified an overpayment made to you in the amount of \$[Amount].

The overpayment occurred due to the following reason: [e.g., Unearned vacation payout, salary paid past last day worked, unrecovered benefit premiums].

Settlement Offer:

To resolve this matter efficiently, the company is prepared to offer the following settlement options:

- **Full Repayment:** Payment of the full amount of \$[Amount] by [Date].
- **Installment Plan:** [Number] monthly payments of \$[Amount] starting on [Date].
- **Reduced Lump Sum:** A one-time payment of \$[Reduced Amount] if received no later than [Date].

Please indicate your preferred method of repayment by signing and returning this letter by [Deadline Date]. Payments should be made via [Check/Electronic Transfer] payable to [Company Name].

Failure to reach a settlement agreement or fulfill the repayment terms may result in further collection actions. If you believe this calculation is in error, please provide supporting documentation to the HR Department within [Number] business days.

Sincerely,

[Name]

[Title]

[Company Name]

Acknowledgment and Agreement:

I, [Employee Name], acknowledge the overpayment and agree to the settlement terms selected below:

Selected Option: _____

Signature: _____ Date: _____