

10.3.1 W-2 Overpayments

W-2 overpayments may occur as a result of an error by either the participant or the W-2 agency. There are three types of overpayments:

1. **Administrative Error:** The W-2 agency commits an error that results in incorrect payments. This type of error is also known as non-client error.
2. **Inadvertent Household Error:** The W-2 participant reports incorrect information or fails to report information due to a misunderstanding or unintended error. This type of error is known as client error (CE).
3. **IPV:** The W-2 participant willfully reports incorrect information or fails to report information and, as a result, is found guilty of IPV by the W-2 agency. (See [13.4.1](#))

W-2 agencies should seek recovery and establish liability for overpayments only from adult members of the W-2 Group. The adult member must have been an adult member of the W-2 group at the time the overpayment occurred.

Overpaid W-2 payments from paid W-2 employment positions and child care may be recouped from either a CSJ or W-2 T payment.

If a W-2 agency issues a W-2 payment in error, the agency must create an overpayment claim. If the agency receives a returned check, the check must be posted as a repayment to the claim.

NEW SECTION: 10.3.1.1 Calculating W-2 Overpayments

W-2 overpayments can occur throughout the time a participant is in W-2. To maintain accurate and consistent calculations of overpayment amounts, W-2 agency workers are required to use the W-2 Payment Calculator and Overpayment Worksheet to calculate a participant's overpayment.

NEW SECTION 10.3.1.1.1 Calculating W-2 Overpayments When Moving Between W-2 T and CSJ Placements

When a participant moves between a W-2 T and a CSJ placement during a participation period, the payment is not prorated. Instead, the participant receives the payment for the placement they were in at the end of the participation period. (see 10.2.5.1).

When calculating an overpayment in this situation, W-2 agency workers must use the full payment amount of the last placement the participant was in.

EXAMPLE: Laura is in a CSJ placement for the 1/16-2/15 participation period. She discloses additional barriers to her FEP on 2/14, and this discussion leads to a new placement of W-2 T. The FEP does not update the placement in CWW until 2/28, after pulldown, so Laura is issued a full CSJ payment of \$653, instead of \$608 for the W-2 T placement she should have been in at end of the participation period. Laura will have an overpayment in the amount of \$45 (\$653-608) because payments are not prorated when changing between a CSJ and W-2 T.