

**MEMORANDUM OF UNDERSTANDING**  
**OVERPAYMENTS AND UNDERPAYMENTS TO EMPLOYEES**

This Memorandum of Understanding is entered into as full and complete resolution of Grievance #00-23 & #01-01. This agreement shall not apply to workers' compensation issues as it specifically covered under Article 12, Line of Duty Injuries.

**OVER PAYMENTS TO THE EMPLOYEE**

1. When the City contends that it has erroneously overpaid a bargaining unit employee, the City shall give written notice of the alleged overpayment to the employee, with a copy being simultaneously supplied to the Local 587 (the Union), stating the total amount of the alleged overpayment, the dates on which overpayments were made, and the amount paid on each date, the types of payment which were allegedly overpaid and the reason that the City contends the employee was overpaid.
2. Within fourteen (14) calendar days after receiving notice of an alleged overpayment, the employee shall, on a form provided with the notice, inform the City whether the employee agrees that an overpayment was made or the employee contests the overpayment. If the employee agrees that the overpayment was made or fails to return the form within fourteen (14) calendar days, repayment shall be by payroll deduction in accordance with #3, below, or any other arrangement agreed to by the City and the employee. If the employee contests the overpayment, a meeting will be held with the employee and the union, so the department can explain the facts surrounding the overpayment and see if agreement can be reached on the amount. If the Union and the City agree on the amount, the overpayment shall be paid back as outlined in #3, below. If the union and the City don't agree, the employee may then file a grievance under Article 15 of the collective bargaining agreement. While the grievance is pending, no payroll deductions shall be made until the grievance is finally resolved by settlement or arbitration award. If the employee's employment severs while the grievance is pending, the



contested overpayment shall be deducted from the employee's final payout and held by the City pending settlement or resolution of the grievance.

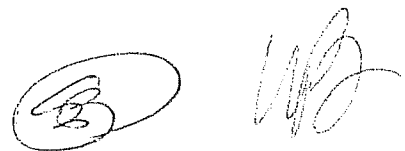
3. If repayment of the money overpaid is agreed to by the employee or required as a result of the resolution of the grievance contesting the overpayment, the employee's biweekly paychecks shall be adjusted as follows:

- (a) For overpayments exceeding two consecutive pay periods the payroll deductions shall be made at the rate at which the overpayments were made or \$100.00 per pay period, whichever is less. The minimum \$100 amount shall increase \$5.00 per calendar year after this agreement is in effect.

- (b) For an overpayment affecting two pay periods or less, the employee's paychecks shall be adjusted and payroll deductions shall be made at the rate at which the overpayment was made or \$200 per pay period, whichever is less. The minimum \$200 amount shall increase \$5.00 per calendar year after this agreement is in effect. The Department and the employee may agree to a different payment schedule.

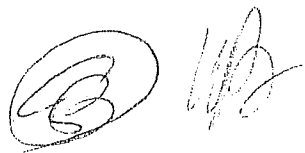
- (c) If the City discovers an overpayment within five work days of the employee's check being issued, (pay cycle Fridays) and where the overpayment affects only one (1) pay period, the employee will pay the City the total amount of the overpayment within two weeks of the notification. However, the Department and the employee may agree to a different payment schedule. In all cases the reimbursement will be cost neutral to both the City and the Employee. This includes payment adjustments for all additional deductions incurred as a direct result of the overpayment. (I.e. pension contributions, federal withholding taxes).

- (d) Members should regularly review their paychecks/direct deposit sheets and report as soon as possible any discrepancies they find in their pay to the Fire Department Payroll Section using the fire-net payroll tracking system.



#### UNDERPAYMENTS TO THE EMPLOYEE

4. When the employee contends that the City has erroneously underpaid the employee, the employee shall give written notice of the alleged underpayment to the City, with a copy being simultaneously supplied to the Local 587 (the Union), stating the following:
  - A) The total amount of the alleged underpayment.
  - B) The dates on which underpayments were made.
  - C) The amount paid on each date.
  - D) The types of payment which were allegedly underpaid.
  - E) The reason that the employee contends the employee was underpaid.
5. Within fourteen (14) calendar days after receiving notice of an alleged underpayment, the City shall inform the employee whether the City agrees that an underpayment was made or the City contests the underpayment. If the City agrees that the underpayment was made or fails to return the form within fourteen (14) calendar days, repayment shall be made within the following two pay periods. If the City contests the underpayment, a meeting will be held with the City, the employee and the union to explain the facts surrounding the underpayment and see if agreement can be reached on the amount. If the Union and the City agree on the amount, the underpayment shall be paid to the employee as outlined above. If the union and the City don't agree the employee may then file a grievance under Article 15 of the collective bargaining agreement. While the grievance and any arbitration is pending, no payments shall be made until the grievance is finally resolved by settlement or arbitration award.

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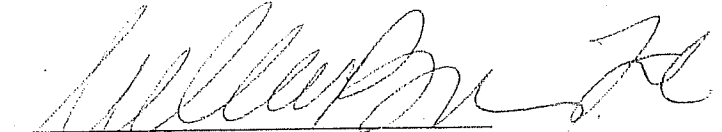
## RECOVERY PERIOD

6. In any case, overpayments and underpayments will only be recoverable by the City or the employee for a maximum of 54 full pay periods going backwards from the date of written notice of the overpayment/underpayment. Any overpayment or underpayment after the written notice by the City or the employee shall not be included in the 54 full pay periods and shall not be limited.
7. The City and the Union agree that these procedures constitute the employees authorization for repayment of an overpayment of wages.
8. For purposes of calculating retirement benefits if the over or under payments occur during the employee's last/best year, his/her pension benefits will be adjusted accordingly, as approved by the FIPO pension trust.



Edward Pidermann, President

Miami Association of Fire Fighters



William Bryson, Fire Chief

Department of Fire-Rescue

Date 1-10-05