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EMPLOYEE SERVICES

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Pull or Stop Payment To Prevent An Overpay

It may be necessary to stop an employee's pay after it has already been generated but before he/she receives it. You can do this by processing a bank advice pull, a check pull or a check stop payment?depending on the method of payment and timing of the correction.

Reasons for stopping an employee?s pay may include:

1. The payroll liaison reviews the payroll register report before payday and discovers that a terminated employee is about to be paid.
2. The payroll liaison reviews the payroll register before payday and discovers an employee was incorrectly returned from short work break and is about to be paid for time that was not worked.
3. The payroll liaison receives notification that an employee died. Payment of the final paycheck must be stopped so that it can be reissued properly to the employee's estate/heirs with the correct taxes withheld (taxation rules change in this situation).
4. The payroll liaison notices an entry error that will cause an employee to be overpaid. Departments should notify Employee Services staff members so they can intercept and correctly replace (if appropriate) the payment, rather than the department attempting to collect the overpayment from the employee.

All overpayments must be processed by Employee Services to ensure appropriate notification, accuracy of calculation and appropriate adjustments to employees' W-2 forms.

If the pay is being stopped (for checks) or pulled (for automatic bank deposits), the department must notify the employee. This is necessary to avoid possible financial hardship or inconvenience created by delayed replacement of the funds, or changing the format of payment (receiving a replacement check instead of an automatic bank deposit).

Note: If, after you've sent payment or the employee has received it, you discover he/she will be underpaid, pay should not be stopped. Additional payment should be processed (see [Late Payment of Wages](#) ^[1]).

Methods for stopping an employee's pay:

Bank Advice Pull

Employee Services uses the term "bank pull" when regular biweekly or monthly pay being distributed by bank direct deposit is stopped before payday. This action must be taken by the due date shown as "Check Stops - Advice Pulls" on the Employee Services Payroll Production Calendar [2], which is set as 10 a.m., two business days before each payday.

Check Pull

The term "check pull" refers to when regular biweekly or monthly pay distributed by check is pulled before the check is mailed to an employee. This action can occur between the time the employee's regular pay cycle is closed and 10 a.m., two business days before pay day. During this time frame, the check has not yet been released by mailing services and can still be returned Employee Services.

Check Stop

The action to stop payment on a check begins from the time CU Mailing Services mails the check to the employee, which happens one day before payday. At this point, it is too late to intercept the check and have it returned Employee Services. Check stops have no time limit but can only be done when the check has not already been deposited or cashed. Reissue of pay (if appropriate) will not be completed until the bank has confirmed the stop pay process is complete.

The department payroll liaison should follow these procedures to intercept an incorrect payment:

1. The payroll liaison should call Employee Services at 303-860-4200, option 2, and request the pull by speaking directly to a payroll counselor (leaving a phone message is not sufficient).
2. You must follow up either with a faxed request, signed by the payroll liaison, or with an email request sent from the liaison's campus email address (email is preferred). Send the request directly to the payroll counselor with whom you spoke in step No. 1 (to his/her direct email address, or to his/her attention, if faxed).

The request must contain the payroll liaison's name and phone number, employee name and employee ID, pay cycle, pay date, amount to pull/stop, reason for the pull, and payment method (advice or check). The request must be received by Employee Services by no later than 10 a.m., two business days before payday.

3. No action will be taken until a written request is received as described above.
4. If a replacement check is required, the department payroll liaison should follow the procedures to request a hand-drawn check. (See the Hand-Drawn Warrants [3] page.)

Provided sufficient time is allowed, Employee Services will place a request to either pull the check before mailing or pull the advice from the bank tape before sending it to the bank whichever is necessary.

Note: Cancelling pay when no replacement pay is requested will also cancel all health/life/dental/general deductions included in the original payment. If this is not correct for any reason, the department payroll liaison should contact Employee Services so benefits will not be adversely affected. The department liaison also must notify the employee that no

replacement pay is being requested so the employee can take care of any personal financial obligations. Employee Services is not responsible for any bank overdraft fees or penalties.

Attachments:

Video:

Images:

Groups audience:

Employee Services

Source URL: <http://www.cu.edu/employee-services/business-partners-ppldr/business-partner-resources/employee-services-procedure-24>

Links:

[1] <http://www.cu.edu/employee-services/business-partners-ppldr/business-partner-resources/employee-services-procedure-11>

[2] <http://www.cu.edu/employee-services/skillssoft/payroll-production-calendars>

[3]

http://www.cu.edu/sites/default/files/policies/docs/Handdrawn_Warrant_Request%20rev_13.08.23%20%20Node%20