



EY Payroll NewsFlash Workforce Tax Services

*Tax. Benefits. Human Resources.
Working together with you.*



 Contact us for more information

 Join us on LinkedIn

Vol.23, 079
August 10, 2022

Special report on the employment tax and other payroll implications of recovering wage overpayments and advances from employees' wages now available

Most employers will encounter the need at some time to recover wage advances and/or wage overpayments from employees. For instance, an employment contract may require the repayment of a sign-on bonus or relocation reimbursements if the employee resigns before a set date; wages may be overestimated when a disaster prevents the normal automated processing of wages; or a payroll error may result in an overpayment.

In this special report, we explain the special payroll tax rules that apply when the repayment of wages occurs in years subsequent to a wage advance or overpayment and state/local wage-hour laws that can place restrictions on the manner and amount of future wage deductions.

You can download the special report [here](#).

Contact us for more information

Workforce Tax Services - Employment Tax Advisory Services

Kristie Lowery

kristie.lowery@ey.com

Ken Hausser

Kenneth.hausser@ey.com

Debera Salam

debera.salam@ey.com

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting or tax advice or opinion provided by Ernst & Young LLP to the reader. The reader is also cautioned that this material may not be applicable to, or suitable for, the reader's specific circumstances or needs, and may require consideration of non-tax and other tax factors if any action is to be contemplated. The reader should contact his or her Ernst and Young LLP or other tax professional prior to taking any action based upon this information. Ernst & Young LLP assumes no obligation to inform the reader of any changes in tax laws or other factors that could affect the information contained herein. Copyright 2022. Ernst & Young LLP. All rights reserved. No part of this document may be reproduced, retransmitted or otherwise redistributed in any form or by any means, electronic or mechanical, including by photocopying, facsimile transmission, recording, rekeying, or using any information storage and retrieval system, without written permission from Ernst & Young LLP.