

## Reclaim money owed by an employee

You have the right to deduct money from an employee's pay if:

- the employment contract specifically allows it
- it's been agreed in writing beforehand
- you've overpaid them by mistake
- it's required by law – for example Income Tax or a court order
- they missed work to be on strike or take industrial action

For example, you can only deduct money for training costs from their final pay if it's agreed in the contract or in writing beforehand.

## Make sure you're still paying the minimum wage

Your deductions must not lower someone's pay below the National Minimum Wage, unless the deduction is for:

- tax or National Insurance
- something they've done which their contract says they're liable for, such as damage to a vehicle through reckless driving
- repayment of a loan or advance wages
- an overpayment you made by mistake
- buying shares, other securities or share options in the business
- [accommodation you're providing to them](#)
- something they use – for example union subscriptions or pension contributions

## Agree how the money is paid back

It's best to talk to the person first and agree how the money will be paid back. For example, a deduction from wages or a bank transfer.

If needed, you can set up a payment plan to help your employee with their finances. This is especially useful if they owe a large amount or you did not realise you were making overpayments for a long time.

## If you overpaid someone

You have the right to deduct money from an employee's pay if you recently made a simple overpayment. Speak to the person and let them know how you're going to claim it back.

If the overpayment was a long time ago, or overpayments have been going on for several weeks or months, you should:

- be flexible and fair claiming the money back
- agree a repayment plan if needed

If you cannot agree a repayment plan, you should not simply deduct money from their wages. The law can be complicated in this area so [speak to an Acas adviser](#) to discuss your options.

## **They no longer work for you**

Contact them and explain why you think they owe you money and how much. If they refuse to pay you back, get legal advice about [making a court claim for money](#).