

# OVERPAYMENT OF TRAINING AND SUPPORT SERVICES

Overpayment of training and Support Services pertains to the WIOA Title I Adult, Dislocated Worker, and Youth programs, and the Trade Adjustment Assistance (TAA) program. A participant of these programs may be liable to reimburse DLR the amount paid on the participant's behalf to a third party, or to the participant directly, if the participant did not complete the services intended for the payment. Overpayments for Trade Readjustment Allowance (TRA) are not part of this policy and will be resolved through the DLR Reemployment Assistance (RA) Division. See Trade Readjustment Allowance section of the [TAA](#) Policy 5.40.

An overpayment may include non-tangible items such as a refund, rebate, tuition assistance, etc. and the purchase of tangible goods such as tools, equipment, clothing, bus pass or tokens, etc. DLR will not accept the tangible good as reimbursement.

An individual found responsible for an overpayment is not eligible for financial services through DLR's workforce programs.

## ***Reasons for Overpayment***

Unless a justification is provided, an overpayment can be sought in the following situations:

- Failing Grades
- Dropped out of training/expulsion from training
- False representation of grades, monitors, or information regarding training or services received
- Failing to communicate with Employment Specialist
- Any type of fraud

## **INITIAL NOTICE OF OVERPAYMENT**

If a reason for overpayment is brought to the attention of the DLR Employment Specialist, the appropriate Labor Program Specialist will be contacted to determine the justification and amount of overpayment. The participant will be issued the following by a Labor Program Specialist:

1. An **Initial Notification of Overpayment** letter including instructions to seek a waiver.
2. Overpayment of Training and Support Services Policy 5.95; And
3. Copy of the Budget Worksheet ([Resource 22](#)).

## **WAIVER OF OVERPAYMENT**

The participant must complete both the justification statement and Budget Worksheet ([Resource 22](#)) and submit to the Employment Specialist within 30 days of receipt of the notice of the overpayment. Then, a request for waiver of overpayment is submitted by the Employment Specialist to the Fiscal Labor Program Specialist and should include the following items:

- A justification statement and explanation on why the service was not completed
- Completed Budget Worksheet ([Resource 22](#)),
- Copy of Condition and Assurance (Form [10A](#)), Authorization for Purchase ([Form 24](#)), **or** TAA Required Training Supplies, Books, Fees ([Form 48](#)) signed by the participant prior to the service,
- Any supporting paperwork.

A waiver of repayment may be granted for the following reasons:

- Undue Financial Hardship <sup>1</sup>
- Medical Reasons

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<sup>1</sup> An undue financial hardship is determined by a participant's household budget worksheet ([Resource 22](#)) indicating the overpayment amount is necessary to pay for ordinary and necessary living expenses. (Subpart H Final Rule)

- Unforeseen Life Circumstances
- Other reason determined by the review team

Any type of fraud will result in a “no waiver of overpayment” determination and an appeal will not be available.

### ***Waiver Request Review***

A waiver of overpayment request will be reviewed by a team of three DLR Labor Program Specialists from the Workforce Development and Administrative Services Divisions. The justification statement for failure of service completion, the household Budget Worksheet ([Resource 22](#)), and supporting paperwork will be used in the review. The review team will complete the Overpayment Determination (Form 98).

All reasons for waiver of repayment will be documented on the Overpayment Determination ([Form 98](#)), uploaded to the SDWORKS participant file, and in SDWORKS case notes.

### ***Waiver Granted***

If a waiver of repayment is granted, the completed Overpayment Determination ([Form 98](#)) is sent to the participant. A copy is sent to the Employment Specialist to be uploaded the SDWORKS participant file.

### ***Waiver Not Granted***

If the waiver of overpayment cannot be applied, DLR must enforce collection of repayment. The completed Overpayment Determination and a **Notification of Re-Payment** letter is sent to the participant by the Fiscal Labor Program Specialist. Copies are sent to the Employment Specialist and uploaded the SDWORKS file. Complete steps under “Payment” section.

## **PAYMENT**

Reimbursement to DLR for overpayment will be handled through the DLR Administrative Services Division. The Employment Specialist should contact the Fiscal Labor Program Specialist to set up a meeting regarding the participants plan for payment. The participant, Employment Specialist, and Fiscal Labor Program Specialist should be included in the meeting.

Once the Initial Notice of Overpayment or Notification of Re-Payment is received, reimbursement to DLR can be completed one of the following ways within 30 days:

- Make payment in full.
- Establish a payment plan between the participant and DLR Administrative Services. If a payment plan is established between the DLR Administrative Services and the participant, a payment plan agreement will be sent to the customer by mail and a statement will be generated monthly to the participant as a reminder of payment and their remaining balance. Communication on payment should be between the Fiscal Labor Program Specialist and the participant.

If payments are missed without communication between the participant and DLR Administrative Services, a **Final Notification letter** will be sent by the Fiscal Labor Program Specialist. If communication is not received within 30 days of the final notice, the outstanding balance will be submitted to the South Dakota Obligation Recovery Center.

**§618.832**  
**TEGL 11-20**  
**Subpart H Final Rule**