

Oracle Fusion Cloud Human Resources

**Process retroactive overpayment
and recovery for earnings elements**



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-4 Enable

Enable retroactive overpayment and recovery

Use the retroactive overpayment and recovery for earnings elements feature to process RetroPay results that create overpayments.

Overpayments are offset and tracked as recovery balances instead of being deducted immediately from the employee's net pay. Employee repayments can then be scheduled and monitored until the recovery balance is cleared.

Configure an earnings element for retroactive recovery

When creating a new earnings element, answer **Yes** to the question **Is this element subject to retroactive changes?**

When enabled, the application automatically creates the following elements and formulas that are needed to support recovery processing:

Elements	Formulas
Element_Name_Evaluation	Element_Name Evaluation
Element_Name_Offset	Element_Name Offset
Element_Name_Recovery	Element_Name Recovery
Element_Name_Recovery Results	Element_Name Recovery Results

Configure Human Resources legislation

- Go to **Setup and Maintenance > Tasks panel > Search > Configure Legislations for Human Resources**.
 - Search for your legislation and click **Update**.
 - Configure the following:
 - **Component Groups:** Select **Edit > Enable Recoveries > Save**.
 - **Balance Dimensions:** Select **Edit > Select All > Save**.
 - **Legislative Rules:** Select **Edit > Save**.

Update the payroll action parameter

- Go to **My Client Groups > Show More > Payroll > Payroll Process Configuration**.
- Search for the **Overpayment Recovery Process Enabling the Over payment for Recovery Process.Default:N** parameter.

3. Set the default value to **Y**.
4. Save your changes.

You can now process retroactive overpayments and recoveries for eligible earnings elements.

-3 Process

Schedule and process retroactive recoveries

Before scheduling a recovery, verify that RetroPay has generated an overpayment:

1. Go to **My Client Groups > Payroll > Submit a Flow**.
2. Select the legislative data group.
3. Run the **Retroactive Entries** report.
4. Review the earnings element enabled for recoveries.
5. Confirm that the retro results contain negative earnings entries.
6. If both positive and negative retro entries exist, verify that sum of the retro entries for the earnings element is less than zero.

Use the **Recoveries** card to schedule and process recovery of retroactive overpayments:

1. Go to **My Client Groups > Payroll > Calculation Entries**.
2. Search for the employee using the appropriate effective date.
3. Drill down into the employee record.
4. Open the **Recoveries** card.
5. Enter the employee-agreed **Recovery Amount** per pay period and **Recovery Start Date**.
6. Save the recovery schedule and process payroll.

Recovery statuses

A recovery can have one of the following statuses:

Status	Description
Not Scheduled	You can edit the recovery as of an effective date on or after the recovery component start date.
Active	You can edit the recovery as of an effective date on or after the recovery component start date, end date the recovery, delete date-effective records, delete all records, or remove the end date.
Complete	The recovery has been fully processed and can't be edited.

Recovery amount validations

As you enter and edit repayments, the following validations apply:

- **Recovery Amount** can be zero.
- **Recovery Amount** can't be negative.
- **Recovery Amount** can't be greater than **Total Recovery Amount**.
- **Recovery Amount** is required.

- **Recovery Amount** can't be greater than **Outstanding Amount**.
- **Total Recovery Amount Override** must be less than **Total Recovery Amount**.

Note: The **Comments** field and the **Employee Agreed** checkbox are informational only and don't affect processing.

Recovery processing

During payroll processing:

- The **Outstanding Amount** is updated each time a recovery is processed.
- When the **Outstanding Amount** reaches zero, the recovery status changes to **Complete**, the recovery element is end dated, and no further recovery processing occurs.
- If the **Repayment Amount** exceeds the **Outstanding Amount**, only the **Outstanding Amount** is processed.
- If there aren't enough earnings to take the full **Repayment Amount**, no recovery is processed for that payroll run. If an outstanding amount remains, recovery processing is attempted again in the following pay period.

-2 Review

Review retroactive recoveries

Use the **Overpayment Recovery** report to review scheduled repayments and outstanding recovery balances.

After a payroll run is completed, scheduled repayments are included in the report. As repayments are processed, the report also displays each employee's outstanding recovery balance.

The report is based on payroll balances and requires a recent payroll run to display the latest repayment and recovery information.

To run the report:

1. Go to **My Client Groups > Payroll > Submit a Flow**.
2. Select the legislative data group.
3. Run the **Overpayment Recovery** report.

Specify the required **Process Start Date** and **Process End Date** parameters to define the reporting period and view repayments and balance adjustments.

You can further filter the report results using the following optional parameters:

- Payroll
- Consolidation Group
- Payroll Statutory Unit
- Tax Reporting Unit
- Payroll Relationship Group
- Person
- Process Configuration Group
- Report Category

For example, enter a specific employee in the **Person** parameter to view recovery details for that employee only.

-1 Troubleshoot

Troubleshoot recovery creation issues

If a recovery record isn't created:

- Confirm the earnings element is configured with **Is this element subject to retroactive changes?** set to **Yes**.
- Verify the earnings element contains negative retro entries and that the sum of the retro entries is less than zero in the **Retroactive Entries** report.
- Confirm eligibility has been defined for the **Recovery** and **Offset (Refund)** elements.
- Verify the payroll action parameter **Overpayment Recovery Process Enabling the Over payment for Recovery Process.Default:N** is set to **Yes**.

If the retro results show a net overpayment and the recovery record still isn't created:

1. Roll back the **Recalculate Payroll for Retroactive Changes** (RetroPay) process.
2. Set payroll logging level to **GMFZT**.
3. Set processing threads to **1**.
4. Rerun the RetroPay process.
5. Review the generated child worker logs.

After making corrections:

1. Roll back and rerun the **Recalculate Payroll for Retroactive Changes** (RetroPay) process.
2. Go to **My Client Groups > Payroll > Calculation Entries > Recoveries**.
3. Run payroll for the next pay period.
4. Run the **Overpayment Recovery** report to validate recovery creation and processing.

