

etc.) due the employee from the DOT operating element on the date of separation to the extent necessary to liquidate the debt.

§ 92.33 Recovery from other payments due a separated employee.

If the debt cannot be liquidated by offset from any final payment due the employee as of the date of separation, the DOT operating element shall liquidate the debt by administrative offset pursuant to 31 U.S.C. 3716 from later payments of any kind due the former employee from the United States, where appropriate (see § 92.41(b)(2)(ii)).

§ 92.35 Interest, penalties and administrative costs.

(a) Where a DOT creditor operating element (see § 92.5(g)) is the creditor, it shall charge interest on an outstanding debt at the rate published by the Secretary of the Treasury in accordance with 31 U.S.C. 3717. The rate of interest assessed shall be the rate of the current value of funds to the United States Treasury (i.e., the Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the FEDERAL REGISTER and the Treasury Financial Manual Bulletins annually or quarterly, in accordance with 31 U.S.C. 3717. The DOT creditor operating element shall charge a penalty of six percent a year, in addition to interest, on any portion of a debt that is more than 90 days past due. It shall assess administrative charges to cover additional costs incurred in processing and handling the debt beyond the payment due date. The imposition of interest, penalties and administrative charges is made in accordance with 31 U.S.C. 3717 and 4 CFR 102.13.

(b) Interest on debt shall begin to accrue on the date on which the debtor is first sent or delivered notice of the debt and of the interest requirements or, in the case of advance billings, on the calendar date following the specified due date of the debt provided the advance billing gives notice of the interest requirements for late payment. Interest on the debt shall continue to accrue until payment is received. Interest shall be calculated only on the

principal of the debt (simple interest). The rate of interest charged shall be the rate in effect on the date from which interest begins to accrue, and shall remain fixed for the duration of the indebtedness.

(c) A DOT creditor operating element shall waive the monthly interest on debt that is paid within 30 calendar days after the date on which interest began to accrue.

(d) A DOT creditor operating element may waive interest, penalties and/or administrative charges if it finds that:

(1) The debtor is unable to pay any significant sum toward the claim within a reasonable period of time;

(2) Collection of interest, penalties or administrative charges will jeopardize collection of the principal of the debt; or

(3) It is otherwise in the best interest of the United States, including the situation where an offset or installment payment agreement is in effect.

§ 92.37 Non-waiver of rights by payment.

An employee's payment or agreement to pay, whether voluntary or involuntary, of all or any portion of an alleged debt being collected pursuant to these procedures shall not be construed as a waiver of any rights which the employee may have under this part to the extent of such payment or agreement.

§ 92.39 Refunds.

(a) Amounts paid or deducted from the account of a current or former employee of the United States Government, pursuant to this part, for a debt which is found not owing to the United States shall be promptly refunded to the employee.

(b) Amounts which are waived shall, after proper application, be promptly returned after approval of the application.

§ 92.41 Requesting recovery when the Department is not the paying agency.

(a) *Format of the request for recovery.*

(1) Where the DOT operating element is the creditor agency and another agency is the paying agency, the chief of the accounting of finance office of the appropriate DOT operating element

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(see § 92.5(g)) shall complete and certify the "Debt Claim Form" (see Attachment 1), and attach a copy of the demand letter sent to the employee pursuant to § 92.11 with a statement of the employee's response thereto, or, if a hearing was held pursuant to § 92.13, attach a copy of the decision of the administrative law judge or other hearing official. The DOT creditor operating element shall certify that the employee owes the debt, the amount and basis of the debt, the date on which payment is due, the date the Government's right to collect the debt accrued, and that the Departmental regulations implementing 5 U.S.C. 5514 have been approved by the Office of Personnel Management.

(2) If the collection is to be made in voluntary or involuntary installments (see Attachment 1), the DOT creditor operating element shall also advise the paying agency of the amount of the installments and, if a date for the beginning of payments other than the next officially established pay period is required, the date of the first installment.

(3) Unless the employee has voluntarily agreed to the salary offset in writing or, in the absence of such agreement, has signed a statement acknowledging receipt of the procedures required by 5 U.S.C. 5514(a)(2) and the writing or statement is attached to the debt claim form, the DOT creditor operating element shall also indicate the action(s) taken under 5 U.S.C. 5514 and give the date(s) the action(s) were taken.

(b) *Submitting the request for recovery*—(1) *Current employees*. The DOT creditor operating element shall submit the "Debt Claim Form" (Attachment 1) to the employee's paying agency.

(2) *Employees who are separating or have separated*—(i) *Employees who are in the process of separating*. If the employee is in the process of separating, the DOT creditor operating element shall submit its debt claim (Attachment 1) to the employee's paying agency for collection as provided in § 92.31 of this part. The paying agency is required to certify the total amount of its collection made or to be made prior to separation and notify the DOT cred-

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itor operating element and the employee as provided in § 92.41 (b)(2)(iii). If the paying agency is aware that the employee is entitled to payments from the Civil Service Retirement and Disability Fund, or other similar payments, it shall advise the DOT operating element and send a copy of the debt claim and certification to the agency responsible for making such payments as notice that a debt is outstanding.

(ii) *Employees who have already separated*. If the employee has already separated and all payments due from his or her former paying agency have been paid, the DOT operating element may request, unless otherwise prohibited for example by court order, that monies which are due and payable to the employee from the Civil Service Retirement and Disability Fund (5 CFR 831.1801 et seq.) or other similar funds, be administratively offset in order to collect the debt (see 31 U.S.C. 3716 and the FCCS).

(iii) *Employees who transfer from one paying agency to another*. If, after the DOT creditor operating element has submitted the debt claim to the employee's paying agency, the employee transfers to a position served by a different paying agency before the debt is collected in full, the paying agency from which the employee separates shall certify the total amount of the collection made on the debt. One copy of the certification shall be furnished to the employee and another to the DOT operating element along with notice of the employee's transfer. The original of the debt claim form shall be inserted in the employee's official personnel folder along with a copy of the certification of the amount which has been collected. Upon receiving the official personnel folder, the new paying agency shall, in accordance with the DOT operating element's properly certified claim, resume the collection from the employee's current pay account and notify the employee and the DOT creditor operating element of the resumption. The DOT operating element is not required to repeat the required collection procedures from the

beginning in order to resume the collection. However, it shall be the responsibility of the DOT creditor operating element to review the debt upon receiving the former paying agency's notice of the employee's transfer to make sure the collection is resumed by the new paying agency.

§ 92.43 Requests for recovery when the Department is the paying agency.

(a) *Incomplete request for recovery.* If the request for recovery received by the chief of the accounting or finance office of the appropriate DOT operating element is incomplete in any respect (see § 92.21(b)) including, but not limited to, the failure to certify in writing that the employee owes the debt, the amount and basis of the debt, the date on which payment(s) is due, the date the creditor agency's right to collect the debt first accrued, and that the creditor agency's regulations implementing 5 U.S.C. 5514 were approved by OPM, the request shall be returned to the creditor agency with a statement of the deficiency. No action to imple-

ment salary offset may be initiated until a complete request has been received.

(b) *Complete request for recovery.* If a complete request for recovery is received by the chief of the accounting or finance office of the appropriate DOT operating element, a copy of the request and any supporting documentation shall be transmitted to the appropriate payroll office, and deductions shall be scheduled to begin at the next officially established pay interval. A copy of the request and any supporting documentation shall be provided to the debtor, along with a notice of the date deductions will begin.

(c) The DOT operating element may not review the merits of the creditor agency's determination with respect to the amount or validity of the debt as stated in the request for recovery.

§ 92.45 Other debt collections.

Separate rules exist for general collection of debts owed the United States under 31 U.S.C. 3711, 3716-18; 4 CFR Ch. II.