

## Peace Corps

## § 309.16

(c) If the employee requests a special review under this section, the employee shall file an alternative proposed offset or payment schedule and a statement, with supporting documents, showing why the current salary offset or payments result in significant financial hardship to the employee.

(d) The Peace Corps shall evaluate the statement and supporting documents, and determine whether the original offset or repayment schedule imposes significant financial hardship on the employee. The Peace Corps shall notify the employee in writing of such determination, including, if appropriate, a revised offset or payment schedule.

(e) If the special review results in a revised offset or repayment schedule, the Peace Corps salary offset coordination officer shall provide a new certification to the paying agency.

### § 309.15 Notice of salary offset.

(a) Upon receipt of proper certification of the creditor agency, the Peace Corps payroll office will send the employee a written notice of salary offset. Such notice shall, at a minimum:

(1) Contain a copy of the certification received from the creditor agency; and

(2) Advise the employee that salary offset will be initiated at the next officially established pay interval.

(b) The payroll office shall provide a copy of the notice to the creditor agency and advise such agency of the dollar amount to be offset and the pay period when the offset will begin.

### § 309.16 Procedures for salary offset.

(a) The Director (or designee) shall coordinate salary deductions under this subpart.

(b) The payroll office shall determine the amount of the employee's disposable pay and will implement the salary offset.

(c) Deductions shall begin within 3 official pay periods following receipt by the payroll office of certification.

(d) Types of collection. (1) *Lump-sum payment.* If the amount of the debt is equal to or less than 15 percent of disposable pay, such debt generally will be collected in one lump-sum payment.

(2) *Installment deductions.* Installment deductions will be made over a period

not greater than the anticipated period of employment. The size and frequency of installment deductions will bear a reasonable relation to the size of the debt and the employee's ability to pay. However, the amount deducted from any period may not exceed 15 percent of the disposable pay from which the deduction is made unless the employee has agreed in writing to the deduction of a greater amount.

(3) *Lump-sum deductions from final check.* A lump-sum deduction exceeding the 15 percent of disposable pay limitation may be made from any final salary payment pursuant to 31 U.S.C. 3716 in order to liquidate the debt, whether the employee is being separated voluntarily or involuntarily.

(4) *Lump-sum deductions from other sources.* Whenever an employee subject to salary offset is separated from the Peace Corps, and the balance of the debt cannot be liquidated by offset of the final salary check, the Peace Corps, pursuant to 31 U.S.C. 3716, may offset any later payments of any kind against the balance of the debt.

(e) *Multiple debts.* In instances where two or more creditor agencies are seeking salary offsets, or where two or more debts are owed to a single creditor agency, the payroll office may, at its discretion, determine whether one or more debts should be offset simultaneously within the 15 percent limitation.

(f) *Precedence of debts owed to the Peace Corps.* For Peace Corps employees, debts owed to the agency generally take precedence over debts owed to other agencies. In the event that a debt to the Peace Corps is certified while an employee is subject to a salary offset to repay another agency, the payroll office may decide whether to have that debt repaid in full before collecting its claim or whether changes should be made in the salary deduction being sent to the other agency. If debts owed the Peace Corps can be collected in one pay period, the payroll office may suspend the salary offset to the other agency for that pay period in order to liquidate the Peace Corps' debt. When an employee owes two or more debts, the best interests of the Government shall be the primary consideration in