

§ 1017.10

(2) When the Board receives an incomplete debt from another (creditor) agency, the Board must return the debt claim with a notice that procedures under 5 U.S.C. 5514 and 5 CFR 1108 must be provided and a properly certified debt claim received before action will be taken to collect from the employee's current pay account.

(3) If the employee transfers to another agency after the creditor agency has submitted its debt claim to the Board and before the debt is fully collected, the Board must certify the total amount collected to the creditor agency, along with notice of the transfer, and furnish a copy of same to the employee.

[56 FR 32333, July 16, 1991, as amended at 64 FR 53267, Oct. 1, 1999]

§ 1017.10 Procedures for administrative offset.

(a) Debts will be collected in one lump sum where possible. If the employee is financially unable to pay in one lump sum, collection shall be made in installments.

(b) Debts shall be collected by deduction at officially established pay intervals from an employee's current pay account, unless alternative arrangements for repayment are made.

(c) Installment deductions will be made over a period not greater than the anticipated period of employment. The size of installment deductions must bear a reasonable relationship to the size of the debt and the employee's ability to pay. The deduction for the pay intervals for any period shall not exceed 15 percent of disposable pay, unless the employee has agreed in writing to a deduction of a greater amount.

(d) Unliquidated debts may be offset against any financial payment due to a separated employee (including, but not limited to, final salary payment or lump-sum payment for leave).

§ 1017.11 Refunds.

(a) The Board shall promptly refund any amounts deducted to satisfy debts owed to it when the debt is waived, found not owed to the Board, or when directed by an administrative or judicial order.

(b) A creditor agency will promptly return any amounts deducted by the

49 CFR Ch. X (10-1-07 Edition)

Board to satisfy debts owed to a creditor agency when the debt is waived, found not owed, or when directed by an administrative or judicial order.

(c) Unless required by law, refunds under this subsection shall not bear interest.

§ 1017.12 Statute of limitations.

If a debt has been outstanding for more than 10 years after the agency's right to collect the debt first accrued, the agency may not collect by salary offset unless facts material to the Government's right to collect were not known and could not reasonably have been known by the official or officials who were charged with the responsibility for discovery and collection of such debts.

§ 1017.13 Nonwaiver of rights.

An employee's involuntary payment of all or any part of a debt collected under these regulations will not be construed as a waiver of any rights that employee may have under 5 U.S.C. 5514 or any other provision of law.

§ 1017.14 Interest, penalties, and administrative costs.

(a) The rate of interest assessed shall be the rate of the current value of funds to the U.S. 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. A higher rate of interest can be assessed if the Board can reasonably determine that a higher rate is necessary to protect the interests of the United States. The rate of interest, as initially assessed, shall remain fixed for the duration of the indebtedness, except where a debtor has defaulted on a repayment agreement and seeks to enter into a new agreement. The Board may set a new interest rate which reflects the current value of funds to the Treasury at the time the new agreement is executed. The Board shall waive the collection of interest on the debt or any portion of the debt which is paid within 30 days after the date on which interest began to accrue.

(b) The Board shall assess a penalty charge not to exceed 6 percent a year

Surface Transportation Board, DOT

§ 1018.1

on any portion of a debt that is delinquent as defined in 4 CFR 101.2(b) for more than 90 days. This charge need not be calculated until the 91st day of delinquency, but shall accrue from the date that the debt became delinquent.

(c) The Board shall assess against a debtor charges to cover administrative costs incurred as a result of a delinquent debt—that is, the additional costs incurred in processing and handling the debt because it became delinquent as defined in 4 CFR 101.2(b).

(d) When a debt is paid in partial or installment payments, amounts received by the agency shall be applied first to outstanding penalty and administrative cost charges, second to accrued interest, and third to outstanding principal.

PART 1018—DEBT COLLECTION

Subpart A—Application and Coverage

Sec.

- 1018.1 Application.
- 1018.2 Definitions.
- 1018.3 Communications.
- 1018.4 Claims that are covered.
- 1018.5 Monetary limitation on Board authority.
- 1018.6 Omissions not a defense.
- 1018.7 Conversion claims.
- 1018.8 Subdivision of claims.

Subpart B—Administrative Collection of Claims

- 1018.20 Written demand for payment.
- 1018.21 Telephone inquiries and investigations.
- 1018.22 Personal interviews.
- 1018.23 Use of consumer reporting agencies.
- 1018.24 Contact with the debtor's employing agency.
- 1018.25 Sanctions.
- 1018.26 Disputed debts.
- 1018.27 Contracting for collection services.
- 1018.28 Collection by administrative offset.
- 1018.29 Payments.
- 1018.30 Interest, penalties, and administrative costs.
- 1018.31 Use of credit reports.
- 1018.32 Bankruptcy claims.
- 1018.33 Use and disclosure of mailing addresses.
- 1018.34 Additional administrative collection action.

Subpart C—Compromise of a Claim

- 1018.50 When a claim may be compromised.

- 1018.51 Reasons for compromising of a claim.
- 1018.52 Restrictions on the compromise of a claim.
- 1018.53 Finality of a compromise.

Subpart D—Suspension or Termination of Collection Action

- 1018.60 When collection action may be suspended or terminated.
- 1018.61 Reasons for suspending collection action.
- 1018.62 Reasons for terminating collection action.
- 1018.63 Termination of collection action.
- 1018.64 Transfer of a claim.

Subpart E—Referral of a Claim

- 1018.70 Prompt referral.
- 1018.71 Referral of a compromise offer.
- 1018.72 Referral to the Department of Justice.

Subpart F—Internal Revenue Service Procedure

- 1018.80 Reporting discharged debts to the Internal Revenue Service.

Subpart G—Tax Refund Offset

- 1018.90 Purpose.
- 1018.91 Applicability and scope.
- 1018.92 Administrative charges.
- 1018.93 Notice requirement before offset.
- 1018.94 Review within the Board.
- 1018.95 Board determination.
- 1018.96 Stay of offset.

AUTHORITY: 31 U.S.C. 3701, 31 U.S.C. 3711 *et seq.*, 49 U.S.C. 721, 4 CFR parts 101–105.

SOURCE: 58 FR 7749, Feb. 9, 1993, unless otherwise noted.

Subpart A—Application and Coverage

§ 1018.1 Application.

(a) This part applies to claims for the payment of debts owed to the United States Government in the form of money or property and unless a different procedure is specified in a statute, regulation, or a contractual agreement with the Board, prescribes procedures by which the Board:

- (1) Collects, compromises, suspends, and terminates collection actions for claims;
- (2) Determines and collects interest and other charges on these claims; and
- (3) Refers unpaid claims to the General Accounting Office (GAO) and the