

§ 5.3 Designation.

The heads of bureaus and offices and their delegates are designated as designees of the Secretary of the Treasury authorized to perform all the duties for which the Secretary is responsible under the foregoing Act and Joint Regulations: *Provided, however,* That no compromise of a claim shall be effected or collection action terminated, except upon the recommendation of the General Counsel, the Chief Counsel of the bureau or office concerned, or the designee of either. Notwithstanding the foregoing proviso, no such recommendation shall be required with respect to the termination of collection activity on any claim in which the unpaid amount of the debt is \$300 or less.

(Sec. 3, 80 Stat. 309; 31 U.S.C. 951-953, 4 CFR Chap. II; 31 U.S.C. 3711, 96 Stat. 971 (1982))

[34 FR 5159, Mar. 13, 1969, as amended at 49 FR 45579, Nov. 19, 1984]

§ 5.4 Application to other statutes.

(a) The authority of the Secretary of the Treasury or the head of a bureau or office within the Treasury Department to compromise claims of the United States shall be exercised with respect to claims not exceeding \$20,000, exclusive of interest, in conformity with the Federal Claims Collection Act, the Joint Regulations thereunder, and this part, except where standards are established by other statutes or authorized regulations issued pursuant thereto.

(b) The authority of the Secretary of the Treasury or the head of a bureau or office within the Treasury Department to remit or mitigate a fine, penalty or forfeiture shall be exercised in accordance with the standards for remission or mitigation established in the governing statute or in Departmental enforcement policies. In the absence of such standards, the standards of the Joint Regulations shall be followed to the extent applicable.

Subpart B—Salary Offset

AUTHORITY: 5 U.S.C. 5514; 5 CFR part 550, subpart K.

SOURCE: 52 FR 39514, Oct. 22, 1987, unless otherwise noted.

§ 5.5 Purpose.

The purpose of the Debt Collection Act of 1982, (Pub. L. 97-365), is to provide a comprehensive statutory approach to the collection of debts due the Federal Government. These regulations implement section 5 of the Act which authorizes the collection of debts owed by Federal employees to the Federal Government by means of salary offsets, except that no claim may be collected by such means if outstanding for more than 10 years after the agency's right to collect the debt first accrued, 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. These regulations are consistent with the regulations on salary offset published by the Office of Personnel Management (OPM) on July 3, 1984, codified in Subpart K of part 550 of title 5 of the *Code of Federal Regulations*.

§ 5.6 Scope.

(a) These regulations provide Departmental procedures for the collection by salary offset of a Federal employee's pay to satisfy certain debts owed the Government.

(b) These regulations apply to collections by the Secretary of the Treasury from:

(1) Federal employees who owe debts to the Department; and

(2) Employees of the Department who owe debts to other agencies.

(c) These regulations do not apply to debts or claims arising under the Internal Revenue Code of 1954, as amended (26 U.S.C. 1 *et seq.*); the Social Security Act (42 U.S.C. 301 *et seq.*); the tariff laws of the United States; or to any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (*e.g.*, travel advances in 5 U.S.C. 5705 and employee training expenses in 5 U.S.C. 4108).

(d) These regulations do not apply to any adjustment to pay arising out of an employee's election of coverage or a change in coverage under a Federal benefits program requiring periodic deductions from pay, if the amount to be

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recovered was accumulated over four pay periods or less.

(e) Nothing in these regulations precludes the compromise, suspension, or termination of collection actions where appropriate under the standards implementing the Federal Claims Collection Act (31 U.S.C. 3711 *et seq.*, 4 CFR parts 101-105, 38 CFR 1.1900 *et seq.*).

§ 5.7 Designation.

The heads of bureaus and offices and their delegates are designated as designees of the Secretary of the Treasury authorized to perform all the duties for which the Secretary is responsible under the foregoing act and Office of Personnel Management Regulations: *Provided, however,* That no compromise of a claim shall be effected or collection action terminated, except upon the recommendation of the General Counsel, the Chief Counsel of the bureau or office concerned, or the designee of either. Notwithstanding the foregoing provision, no such recommendation shall be required with respect to the termination of collection activity on any claim in which the unpaid amount of the debt is \$300 or less.

§ 5.8 Definitions.

As used in this part (except where the context clearly indicates, or where the term is otherwise defined elsewhere in this part) the following definitions shall apply:

(a) *Agency* means:

(1) An Executive Agency as defined by section 105 of Title 5, United States Code, including the U.S. Postal Service and the U.S. Postal Rate Commission;

(2) A military department as defined by section 102 of Title 5, United States Code;

(3) An agency or court of the judicial branch including a court as defined in section 610 of Title 28, United States Code, the District Court for the Northern Mariana Islands and the Judicial Panel on Multidistrict Litigation;

(4) An agency of the legislative branch, including the U.S. Senate and the U.S. House of Representatives; and

(5) Other independent establishments that are entities of the Federal Government.

(b) *Bureau Salary Offset Coordination Officer* means an official designated by

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the head of each bureau who is responsible for coordinating debt collection activities for the bureau. The Secretary shall designate a bureau salary offset coordinator for the Departmental offices.

(c) *Certification* means a written debt claim form received from a creditor agency which requests the paying agency to offset the salary of an employee.

(d) *Creditor agency* means an agency of the Federal Government to which the debt is owed.

(e) *Debt or claim* means money owed by an employee of the Federal Government to an agency of the Federal Government from sources which include loans insured or guaranteed by the United States and all other amounts due the Government from fees, leases, rents, royalties, services, sales of real or personal property, overpayments, penalties, damages, interests, fines and forfeitures (except those arising under the Uniform Code of Military Justice) and all other similar sources.

(f) *Department or Treasury Department* means the Departmental Offices of the Department of the Treasury and each bureau of the Department.

(g) *Disposable pay* means that part of current basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an employee not entitled to basic pay, other authorized pay remaining after the deduction of any amount required by law to be withheld. The Department shall allow the following deductions in determining disposable pay subject to salary offset:

(1) Federal employment taxes;

(2) Amounts deducted for the U.S. Soldiers' and Airmen's Home;

(3) Fines and forfeiture ordered by a court martial or by a commanding officer;

(4) Federal, state or local income taxes no greater than would be the case if the employee claimed all dependents to which he or she is entitled and such additional amounts for which the employee presents evidence of a tax obligation supporting the additional withholding;

(5) Health insurance premiums;

(6) Normal retirement contributions (*e.g.*, Civil Service Retirement deductions, Survivor Benefit Plan or Retired