§ 301–52.20 How are late payment fees calculated?

Your agency must either:
(a) Calculate late payment fees using the prevailing Prompt Payment Act Interest Rate beginning on the 31st day after submission of a proper travel claim and ending on the date on which payment is made; or
(b) Reimburse you a flat fee of not less than the prompt payment amount, based on an agencywide average of travel claim payments; and
(c) In addition to the fee required by paragraphs (a) and (b) of this section, your agency must also pay you an amount equivalent to any late payment charge that the card contractor would have been able to charge you had you not paid the bill.

[FTR Amdt. 92, 65 FR 21366, Apr. 21, 2000]

§ 301–52.21 Is there a minimum amount the late payment fee must exceed before my agency will pay it to me?

Yes, a late payment fee will only be paid when the computed late payment fee is $1.00 or greater.

[FTR Amdt. 90, 65 FR 3056, Jan. 19, 2000]

§ 301–52.22 Will any late payment fees I receive be reported as wages on a Form W-2?

No, the Internal Revenue Service (IRS) has determined that the late payment fee is in the nature of interest (compensation for the use of money). Your agency will report payments in accordance with IRS guidelines.

[FTR Amdt. 90, 65 FR 3056, Jan. 19, 2000]

§ 301–52.23 Is the additional fee, which is equal to any late payment charge that the card contractor would have been able to charge had I not paid the bill, considered income?

Yes, your agency will report this payment as additional wages on Form W-2.

[FTR Amdt. 90, 65 FR 3056, Jan. 19, 2000]