

§ 1650.111

bi-weekly salary payment after the expiration of 30 days following the employee's receipt of the Notice of Debt under 1650.105(c).

(f) *Lump-sum deduction from final check.* When the employee retires, resigns, or ends his or her period of active duty before the debt is collected in full, the employee's debt will be automatically deducted from the final payments (e.g., final salary payment, lump-sum leave, etc.) due the employee to the extent necessary to liquidate the debt. If the employee's final pay is not sufficient to permit all deductions to be made, the order of precedence for the deductions will be: Retirement and FICA; Medicare; Federal income taxes; health benefits; group life insurance; indebtedness due to the United States; State income taxes; and voluntary deductions and allotments.

§ 1650.111 Recovery from other payments due a separated employee.

When a debt owed to EEOC has not been completely liquidated through salary offset and the employee has separated from EEOC, the Commission shall, pursuant to 31 U.S.C. 3716 and the Federal Claims Collection Standards, 31 CFR parts 900-904, seek to offset the balance of the debt against any financial payment due the employee from the U.S. Government.

§ 1650.112 Interest, penalties, and administrative costs.

Unless a debt is paid in full within 30 days of receipt of the Notice of Debt, the Commission will charge interest at the rate established in accordance with 31 U.S.C. 3717 effective on the date of delinquency, and a processing charge pursuant to 31 U.S.C. 3717. The Commission will charge a penalty, pursuant to 31 U.S.C. 3717(e)(2) not to exceed 6 percent a year, on the amount due on a debt that is delinquent more than 90 days. This charge shall accrue from the date of delinquency. If an employee files a timely proposal for a repayment agreement, request for waiver, or a request for a hearing, interest, penalties, and administrative costs will be suspended during the time the Commission is considering such request(s).

29 CFR Ch. XIV (7-1-12 Edition)

§ 1650.113 Non-waiver of rights by payments.

An employee's payment of all or any portion of a debt collected by salary offset will not be construed as a waiver of any right the employee may have under 5 U.S.C. 5514 or any other provision of contract or law, unless there are statutory or contractual provisions to the contrary.

§ 1650.114 Refunds.

Amounts paid, or deducted by salary offset, by an employee for a debt that is waived or otherwise not found owing to the United States will be refunded promptly to the employee. Refunds do not bear interest unless required by law or contract.

Subpart B—Procedures for the Collection of Debts by Federal Tax Refund Offset

§ 1650.201 Purpose.

This subpart establishes procedures for EEOC to refer past-due legally enforceable debts to the Department of the Treasury (Treasury) for offset against the income tax refunds of persons owing debts to EEOC pursuant to 31 U.S.C. 3720A and 31 CFR 285.2. The general standards and procedures governing the collection, compromise, termination, and referral to the Department of Justice of claims for money and property that are prescribed in the regulations issued jointly by the Secretary of the Treasury and the Attorney General of the United States, the Federal Claims Collection Standards (31 CFR parts 900-904), apply to the administrative collection activities of the EEOC.

§ 1650.202 Past-due legally enforceable debt.

A past due, legally enforceable debt is a debt:

- (a) That accrued within ten years of referral to Treasury;
- (b) That is at least \$25.00; and
- (c) That the agency has made reasonable efforts to collect by:
 - (1) Submitting the debt to Treasury, Financial Management Service, for collection by Administrative Offset and