

§ 2418.5

5 CFR Ch. XIV (1–1–16 Edition)

with the Internal Revenue Service (see <http://www.irs.gov>);

(14) How the debtor may exercise other statutory or regulatory rights and remedies available to the debtor;

(15) That an employee's involuntary payment of all or any portion of a debt being collected will not be construed as a waiver of any rights that the employee may have under any provision of contract or law, unless there are statutory, regulatory, or contractual provisions to the contrary; and

(16) That the debtor should advise the FLRA of a bankruptcy proceeding of the debtor or another person liable for the debt being collected.

(b) *Exceptions to notice requirements.* The FLRA may omit from a notice to a debtor one or more of the provisions contained in paragraphs (a)(6) through (16) of this section if the FLRA, in consultation with its legal counsel, determines that any provision is not legally required given the collection remedies to be applied to a particular debt.

(c) *Respond to debtors; comply with FCCS.* The FLRA will respond promptly to communications from debtors and comply with other FCCS provisions applicable to the administrative collection of debts. See 31 CFR part 901.

§ 2418.5 How will the FLRA add interest, penalty charges, and administrative costs to an FLRA debt?

(a) *Assessment and notice.* The FLRA shall assess interest, penalties, and administrative costs on FLRA debts in accordance with the provisions of 31 U.S.C. 3717 and 31 CFR 901.9. Interest shall be charged in accordance with the requirements of 31 U.S.C. 3717(a). Penalties shall accrue at the rate of 6% per year, or such other higher rate as authorized by law. The FLRA shall determine administrative costs, that is, the costs of processing and handling a delinquent debt. In the notice to the debtor described in § 2418.4, the FLRA must explain how interest, penalties, costs, and other charges are assessed, unless the requirements are included in a contract or repayment agreement.

(b) *Waiver of interest, penalties, and administrative costs.* Unless otherwise required by law, the FLRA may not charge interest if the amount due on the debt is paid within 30 days after the

date from which the interest accrues. See 31 U.S.C. 3717(d). The FLRA may waive interest, penalties, and administrative costs, or any portion thereof, when it would be against equity and good conscience or not in the FLRA's best interest to collect such charges, in accordance with FLRA guidelines for waiving claims against FLRA employees for erroneous overpayments. See appendix A of this part.

(c) *Accrual during suspension of debt collection.* In most cases, interest, penalties, and administrative costs will begin and continue to accrue 30 days after notice is given to the employee and during any period when collection has been suspended for any reason (for example, when the debtor has requested a hearing). The FLRA may suspend accrual of any or all of these charges when accrual would be against equity and good conscience or not in the FLRA's best interest, in accordance with FLRA guidelines for waiving claims against FLRA employees for erroneous overpayments. See appendix A of this part.

§ 2418.6 When will the FLRA allow a debtor to pay an FLRA debt in installments instead of one lump sum?

If a debtor is financially unable to pay the debt in one lump sum, then the FLRA may accept payment of an FLRA debt in regular installments, in accordance with 31 CFR 901.8.

§ 2418.7 When will the FLRA compromise an FLRA debt?

If the FLRA cannot collect the full amount of an FLRA debt, then the FLRA may compromise the debt in accordance with 31 CFR part 902.

§ 2418.8 When will the FLRA suspend or terminate debt collection on an FLRA debt?

If, after pursuing all appropriate means of collection, the FLRA determines that an FLRA debt is uncollectible, then the FLRA may suspend or terminate debt-collection activity in accordance with the provisions of 31 CFR part 903 and the FLRA's policies and procedures.