



Payroll Services Letter

Number: PS05-09.2
Date: June 16, 2008 (Revised May, 2009)
Subject: Debt Collections
Category: Debt Management

Reference: PS05-09.1, Subject: Debt Collections dated June 16, 2008. PS05-09.2 supersedes PS05-09.1. Please replace that letter with this one.

Purpose

This letter is to inform the Department of Health and Human Services (HHS) Human Resource (HR) Centers and Operating Divisions (OPDIV) of payroll procedures for debt collections. The changes will be implemented as part of the conversion of the HHS payroll system to the Defense Civilian Pay System (DCPS) operated by the Defense Finance and Accounting Service (DFAS), our new payroll provider.

The DFAS Cleveland (DFAS-CL) Payroll Office will notify employees directly regarding employee debts.

Debt collections fall into one of four categories:

- A. Salary Debts
- B. Administrative and Non-Salary Debts
- C. Court Ordered Garnishments
- D. Separated Employee Salary Debts

Salary Debts

Salary debts can occur when time and attendance information is corrected or changed for a previous pay period or when retroactive personnel actions are processed that changes the salary or pay entitlements. This includes any overpayment that is attributable to clerical errors, administrative errors, or delays in processing pay documents. This also includes Health Benefits debts for employees who are on leave without pay (LWOP) or who have insufficient salary to cover health benefits premiums. Salary debts are classified as either routine debts or non-routine (full due process) debts.

Routine Debt

A routine debt is defined as a salary overpayment having an amount of **\$50.00 or less**, or one that is greater than \$50.00 but is **identified** within four pay periods. The collection of a routine debt will begin in the pay period that it is identified by the payroll office. There will not be a delay in starting the collection of newly identified routine debt. A remark will appear on the Leave and Earnings Statement (LES) in the pay period the collection is started. The remark will include the amount being collected in the current pay period, the gross amount of the debt, what caused the debt (time and attendance or personnel action) and a contact phone number for the DFAS debt processing team.

The following is an example of a remark that may appear on the LES for each deduction taken:

**\$_____ COLLECTED THIS PAY PERIOD FOR \$_____. (LESS
AMT APPLIED LEAVES A REMAINING BALANCE \$_____.)
_____ CORRECTION DEBT IN ACCORDANCE WITH
DEBT COLLECTION IMPROVEMENT ACT OF 1996. POC: PAYROLL
OFFICE CUSTOMER SERVICE DESK, 1 (800) 729-3277.**

The deduction amount may not exceed 15 percent of disposable net pay unless the employee gives written consent. If the total amount of the debt exceeds this limitation, the initial deduction will be for the full 15 percent and remaining deduction amounts will be 15 percent until the debt has been satisfied.

Non-Routine Debts

A non-routine debt is any salary overpayment greater than \$50 that was **not identified** within four pay periods in which the debt was incurred. This is considered a debt requiring **full due process**. Due process includes giving the employee written notification, which includes information about submitting payments, and the employee's rights to request a hearing or a waiver.

If the employee does not repay the debt or contact the payroll office to establish a repayment schedule within 30 days, the DFAS-CL Payroll Office will begin collection of the debt by salary offset at 15 percent of their disposable net pay.

The following is an example of a remark that may appear on the LES for each deduction taken:

**\$_____ COLLECTED THIS PAY PERIOD FOR \$_____. (LESS
AMT APPLIED LEAVES A REMAINING BALANCE \$_____.)
_____ CORRECTION DEBT IN ACCORDANCE WITH 5
U.S.C. 5514. POC: PAYROLL OFFICE CUSTOMER SERVICE DESK,
1 (800)729-3277.**

Health Benefit Debts

During periods of leave without pay or insufficient pay, employees participating in the Federal Employees Health Benefits Program (FEHB) are indebted for the amount of the employee's portion of the FEHB premiums.

Collection for FEHB debts will be for the current pay period and one prior pay period until the debt is paid in full.

There are various remarks that appear on the LES for FEHB Debts. Below are some of these remarks:

- **CASH PAYMENT PROCESSED FOR FEHB**
 - This remark is produced when a payment for FEHB indebtedness is processed.
- **FEHB PREMIUM HAS BEEN PREPAID BY YOUR AGENCY DUE TO INSUFFICIENT PAY. THIS DEBT MUST BE REPAID EXCEPT FOR THOSE ELIGIBLE RESERVISTS IN SUPPORT OF CONTINGENCY OPERATIONS.**
 - This remark is produced when an employee has insufficient funds during any pay period to pay the employee's portion of the FEHB premium. The agency is automatically charged for the employee's portion of the premium.
- **PREPAID FEHB PREMIUM DEBT COLLECTED**
 - This remark is produced when an employee has a deduction or adjustment for FEHB that was previously paid by the agency.
- **RETROACTIVE ADJUSTMENT(S) FOR HEALTH BENEFITS PROCESSED**
 - This remark is produced when an automatic collection for FEHB indebtedness is processed.

Repayment Options

These options normally apply to non-routine debts. However, an employee may submit payment in full for routine debts, if they wish. The DFAS-CL Payroll Office must be notified that payment in full has been submitted, with the date and amount of the payment so the automatic payroll deduction can be stopped.

The employee can consent to pay the debt voluntarily or the Government can collect the debt involuntarily.

Voluntary Repayment

There are two methods for repaying a debt voluntarily:

- 1) A payment can be made by check or money order. The payments can be paid in one lump sum or at regularly established intervals. Checks or money orders for repayment of debts should have the employee's SSN and "Debt Payment" written on the check and be made payable to DFAS-CL DSSN 8522 and mailed to:

DFAS-CL
P.O. Box 99559
Cleveland, OH 44199

- 2) The debt can be collected through payroll deduction using one of the following methods.
 - a) A one-time deduction.
 - b) Payment may be spread over more than one pay period for other than minor indebtedness amounts. The debt should be equal to at least 15% of the disposable pay in order to qualify for installment liquidation. Installment payments must be at least \$25 per pay period and must be sufficient to liquidate the debt within three years. All installment payments that are less than 25% of the employee's disposable net pay must be approved by the designated agency representative.

Involuntary Repayment

Recovery of the indebtedness by involuntary salary offset is for instances in which the employee has failed to either make a payment, authorize a voluntary one-time payroll deduction, or enter into an agreement with the payroll office for installment deductions. (see Attachment A – sample – Debt Collection Letter for Formal Due Process Debts)

Waiver and Hearing Requests

Waiver and hearing requests should be submitted by the employee to their HR Center. Employee instructions for requesting waivers and hearings are found in Attachment B of this letter and on the HHS Intranet Forms website at: http://intranet.hhs.gov/forms/hhs_forms.html

Hearing Request

If an employee has reason to believe he or she was not overpaid or the amount of the debt is incorrect, the employee may submit a written request for review by a hearing officer within fifteen calendar days from the date of mailing of the notice. The request must raise a genuine issue of fact or law.

Waiver Request

Under certain circumstances, debt claims against an employee may be waived. Authority is provided by 5 USC 5584 and 4 CFR, parts 91 and 92, for the waiver of claims of the United States against an employee stemming from an erroneous payment of pay or allowances.

It is the employee's responsibility to review his/her LES and make an inquiry as to any unexplained increases in their pay and allowances.

The employee may request a waiver of the overpayment if he/she believes that the overpayment occurred through administrative error and the employee was not aware of the error through receipt of any official document/notification.

Amounts collected and later waived or found not owed will be promptly refunded to the employee unless otherwise provided by the statute or contract.

Submission Requirements

If an employee decides to apply for a waiver or hearing, he or she should follow the instructions for Request for Waiver of Overpayment or for Hearing (DHHS), Attachment B, and send the request to the HR Center. The request for waiver or hearing should include the reason for the request, whether the employee was aware or unaware of the overpayment, whether the employee put forth any effort to question the overpayment, and an actual request for a refund if the waiver is granted.

Suspension of Collection

DFAS will suspend collection of the debt pending waiver determination only if the OPDIV representative or HR Center requests suspension in writing.

The address is:

DFAS Cleveland
Civilian Payroll Office
8899 E 56th Street
Indianapolis, IN 46249-1900

The fax number is:

Toll Free: 1 (866) 401-5849
Commercial: 1 (317) 275-0354

Hearing and Waiver Decision

The employee will be directly notified of the hearing and waiver decision. A copy of the decision letter will also be forwarded to the DFAS-CL Payroll Office. The DFAS-CL Payroll Office is responsible for processing refunds of any amount collected and subsequently waived. The DFAS-CL Payroll Office must immediately initiate further collection action when informed of a waiver denial and collection action has been suspended.

Administrative and Non-Salary Debts

Administrative and Non-Salary debts are monies owed to the OPDIV or other Government agencies by employees. Examples include: recovery for travel advances, equipment, student loans, training, salary advances, emergency salary advances, and other Government agency debts.

Debts owed to OPDIVS

In order for an OPDIV to request recovery of a debt, they must submit the request to the DFAS-CL Payroll Office along with the Request for Recovery of Debt Due the United States by Salary Offset form (see Attachment C). This form is used for requesting recovery of a debt by salary offset and certifying that due process has been completed. The collection is processed through the employee's payroll record, and the specified amount is withheld from the employee's pay in single or multiple deductions.

The request form must be sent directly to the DFAS-CL Payroll Office via the DFAS Imaging Center. For more information on sending documents to DFAS-CL Payroll Office, see the Imaging Documents Payroll Letter. For more information on how to properly prepare the form, see PS05-02.1, Agency Administrative Offset Letter.

The address is:

DFAS Cleveland
Civilian Payroll Office
8899 E 56th Street
Indianapolis, IN 46249-1900

The fax number is:

Toll Free: 1 (866) 401-5849

Commercial: 1 (317) 275-0354

Debts Owed to Other Government Agencies

When federal agencies notify HHS of outstanding employee debts owed to their agency, the request for collection should be forwarded to the DFAS-CL Payroll Office via the DFAS Imaging Center using the revised form DD2481 – Request for Recovery of Debt Due the United States by Salary Offset. The address is:

DFAS Cleveland
Civilian Payroll Office
8899 E 56th Street
Indianapolis, IN 46249-1900

The fax number is:

Toll Free: 1 (866) 401-5849

Commercial: 1 (317) 275-0354

These debts may automatically be collected by salary offset through the Treasury Offset Program (TOP). With each deduction taken the LES remark will state:

\$ (deduction amount) COLLECTED THIS PAY PERIOD FOR A \$ (gross amount)

TREASURY OFFSET PROGRAM DEBT. CONTACT THE TOP CALL CENTER AT

1-800-304-3107 FOR MORE INFORMATION.

Additional remarks may be found on the employee's LES for the collection of other government agency debts.

Court Ordered Garnishments

Garnishments and bankruptcies are types of court ordered debts.

Garnishments:

There are garnishments for 1) child support and alimony and 2) commercial debts. DFAS Cleveland is the official record keeper for all of these documents and is responsible for processing them. Employees are instructed to contact DFAS Cleveland directly with questions concerning garnishments.

Inquires and court orders should be sent to:

DFAS-CL
Code L
PO Box 998002
Cleveland, OH 44199-8002

Or call:

Toll Free: 1 888-332-7411

For commercial debts, which include state and local indebtedness, a one time administrative fee of \$75.00 per case shall be collected from the amount of the garnishment due to the creditor. The administrative fee will be collected in full before any payments are remitted to the creditor. An administrative fee will be assessed for each case if more than one commercial debt exists.

Bankruptcy:

Federal employees may file for bankruptcy under the provisions of 11 U.S.C. The court orders are sent to the DFAS-CL Payroll Office. The DFAS-CL Payroll Office processes the collection in accordance with the instructions in the court order.

Debt collection inquiries from HR Centers on behalf of employees can be sent using the Peregrine system. The category is: DEBT COLLECTIONS and the subcategory is the type of debt such as: AGENCY DEBTS, BANKRUPTCY, IRS LEVIES, or SALARY OVERPAYMENTS. Inquiries can also be sent to the DFAS-CL Payroll Office via the Imaging Center. The address is:

DFAS Cleveland
Civilian Payroll Office
8899 E 56th Street
Indianapolis, IN 46249-1900

The fax number is:

Toll Free: 1 (866) 401-5849
Commercial: 1 (317) 275-0354

D. Separated Employee Salary Debts

Separated Employee Salary Debts for Former HHS Employees

The Program Support Center's (PSC), Financial Management Services (FMS) Debt Management Branch will continue to collect debts for employees who separate from HHS. (see Attachment D – Debt Collection Letter for Separated Employee Debts).

If you have questions regarding the information contained in this letter, please contact your Payroll Customer Service Team.

SAMPLE

DEBT COLLECTION LETTER FOR FULL DUE PROCESS (NON-ROUTINE) DEBTS

Each Payroll Office
Letterhead here

(1)DATE: Month date, year

(2A)Name
(2B)Street
City, State Zip

Dear Name:

An overpayment record has been generated on your pay account for pay period(s) ending _____(20). The gross amount of your overpayment (including pay, all taxes, benefits and other deductions) is _____(5). The overpayment is the result of _____(4)change(s).

Under the provisions of 31 CFR 901.2, payment of this debt is due within 30 days from the date of this letter. Your repayment options are:

a. You may remit the repayment in the net amount of \$ _____(6) by check or money order payable to DFAS-CL DSSN ____ (7), along with the payment coupon at the bottom of this letter to **DFAS-CL, P.O. Box 99555, Cleveland OH 44199.** _____(8).

b. If you are unable to remit payment in full, you may submit the enclosed Voluntary Repayment Agreement to your civilian payroll office at the address on the letterhead above.

c. If you do not repay the debt in full or establish a voluntary repayment schedule within ____ (9) days, we are required to collect the debt involuntarily from your pay, beginning on _____(10). The maximum amount deductible under these circumstances is 15 percent of your disposable pay each pay period until the debt is repaid in full. Our estimates of your disposable pay, based on current payroll information, is \$ _____(11). Therefore, the maximum deduction would be \$ _____(12), and repayment of the principal amount of the debt would take approximately ____ (13) pay periods.

We encourage your prompt payment as in accordance with 4 CFR 102. 13 and 31 USC 3717, interest at the Treasury tax and loan rate, **penalties and administrative fees**, may be assessed from the date of this letter on any part of the debt not paid within ____ (9) days of the date of this letter.

You may request copies of records we hold pertaining to your debt by contacting this office.

If you have any questions about your debt you may contact your timekeeper for time and attendance corrections, or your personnel office for changes in personnel items or allowances. For general questions your Customer Service Representative (CSR) can either assist you or contact this office to obtain information relative to your needs. Your CSR cannot answer questions on debts more than 12 months old. Contact the payroll office Customer Service Desk, at (comm phone number), DSN (DSN prefix)(14) for action.

You may request a hearing concerning the amount, validity of the debt, or the repayment schedule. A hearing only determines the validity of the debt and has no bearing on your ability or responsibility to

repay the debt. Should you choose to exercise this option, please submit your written request within 30 days from the date of this letter to your civilian payroll office. Please include a statement and any supporting documents contesting the validity of the debt. Detailed guidance regarding hearings for erroneous payments under the authority of 5 USC 5514 are contained in regulations of the employing agency. _____ **new fill-in-the-blank contains the agency's web site.**

You may also request a waiver of repayment of the debt if you acknowledge the validity of the debt, but believe you should not be required to repay it. Although collection of your debt may continue after receipt of your waiver request, any amount collected by this office that is later waived will be refunded to you. Detailed guidance regarding waiver of claims for erroneous payments under the authority of 5 USC 5584 are contained in regulations of the employing agency. _____ **new fill-in-the-blank contains the agency's web site.**

Federal Statute 31 USC 3716 also requires that if you retire or resign before your debt is paid in full, your final pay (salary and lump sum payments) may be applied to liquidate your debt balance without further notification.

Sincerely,

(Signature Name)(15)
Supervisor, Debt Processing

Please remit with payment:

Name _____ (2A) _____ SSN _____ (17) _____ PayBlk_ (18) _____ Code_ (19) _____
Debt Dates _____ (20) _____ Debt Type _____ (4) _____ Creation Date _____ (3) _____
Sequence Number _____ (21) _____
LOA _____ (22) _____

Payment Amount Enclosed \$ _____ (23) _____.

Voluntary Repayment Agreement for Civilian Payroll Indebtedness

I understand that I owe the amount indicated below due to a salary overpayment. Should I fail to return this repayment agreement, 15 percent of my disposable pay will be deducted beginning in the stated pay period. An estimate of this amount is shown below.

I also understand that if I decide to repay the amount owed by any method other than in a lump sum payment, interest at the Treasury tax and loan rate may be charged on the unpaid balance every month until the debt is paid in full.

Please sign and return this repayment agreement to your payroll office.

Debt Reason Allowance (4)
Sequence Number 12345 (21)
Amount Owed \$357.11 (6)
Est. Disposable Net Amount \$700.00 (11)
Est. Deduction Amount 15% of net disposable \$105.00 (12)
PPE Deductions will begin July 1, 2008 (10)

Code_(19)_ Debt Dates _____(20)_____ Creation Date ____ (3)____
LOA _____(22)_____

Employee's Name (2A) SSN: (17) Pay Blk (18) **DB**____ JANE
C. SMITH 111-11-1111 301 ZFR

I choose the following repayment plan (Check one):

1. I am repaying what I owe in a lump sum. My payment in the amount of \$_____ is enclosed.
2. Deduct from my salary the total amount in pay period ending _____.
3. I do not want to pay it all at once. You may deduct \$_____ each pay period, which is more than 15 percent of my disposable pay.
- **4. I am unable to pay 15 percent of my disposable pay because of a financial hardship. You may deduct \$_____ each pay period. This repayment amount has been approved by my employing agency. (Signature of agency approving official is required below).

Signature: _____ Date: _____

Daytime Telephone Number: _____

**Approving Official's Signature/Date: _____

Request for Waiver of Overpayment or for Hearing (DHHS)
INSTRUCTIONS

PLEASE CAREFULLY READ THE FOLLOWING INFORMATION BEFORE COMPLETING THE REQUEST FOR WAIVER OF OVERPAYMENT OR HEARING ON PAGE 2 OF ATTACHMENT B

The Secretary shall collect on any claim of the United States for money or property arising out of the activities of the Department of Health and Human Services. 31 U.S.C. § 3711(a). Any debt owed to the Department of Health and Human Services may be collected through administrative offset or wage garnishment. 31 U.S.C. § 3716(a); 31 U.S.C. § 3720D. However, if an employee disputes the debt or the amount of the debt, he or she may make a timely written request for a hearing before any collection efforts are made. 45 C.F.R. § 30.15; 45 C.F.R. § 32.5. Such a hearing, at the Department's option, may be oral or written. 45 C.F.R. § 32.5. The employee may also request to have the debt waived if it arose due to an administrative error. 5 U.S.C. § 5584(a).

The Secretary may waive a claim of the United States against an employee arising out of an erroneous payment of pay or allowances if the collection would be against equity and good conscience and not in the best interest of the United States. 5 U.S.C. § 5584(a).

Should you wish to file a request for a waiver of overpayment or request a hearing regarding your indebtedness to the Department of Health and Human Services, check the appropriate space on the attached request form. Attach a separate statement specifying which decision you are disputing and explaining the reasons for the dispute to this request. You must also list any desired supporting witnesses and include any documents to support your request. Upon completion of this form, sign it, attach any supporting documents, and present all documents to your current Servicing Personnel Officer, or if you are a former employer, to your former Servicing Personnel Officer. Waiver of overpayment requests submitted by headquarters employees of the Office of the Secretary (OS) will be forwarded to the General Law Division of the Office of the General Counsel for review. Hearing requests will be forwarded to the Departmental Appeals Board for review. Waiver requests submitted by OS regional employees will be forwarded to the appropriate regional chief counsel's office. Waiver requests for employees working in the DHHS Operating Divisions (OPDIV) will be reviewed by the employee's employing operating Division.

PRIVACY ACT NOTICE

This notice is provided pursuant to Public Law 93-579, Privacy Act of 1974, 5 U.S.C. Section 552a, for individuals supplying information for a waiver/hearing request.

Authority: This information is solicited pursuant to one or more of the following provisions: 5 U.S.C. § 5514, 31 U.S.C. § 3720D, 31 U.S.C. § 3716(a), 45 C.F.R. § 30.15, and 45 C.F.R. § 32.5. Disclosure of the requested information is voluntary, but necessary for processing.

Purposes and Uses: The primary use of the information supplied on this form is for evaluating claims arising out of an erroneous payment of pay or allowance. This information may be disclosed to the (1) Department of Justice for litigation or further administrative action; (2) to the Treasury Department; and (3) other agents of the Department of Health and Human Services to assist with collecting or compromising a debt. Social Security numbers are requested to identify the employee and the debt owed to the Department.

Effects of Nondisclosure: Failure to supply the information will result in denial of a request.

Request for Waiver of Overpayment or for Hearing (DHHS)

Instructions: Please carefully read the instructions on the reverse side of this form before completing the information below, and attach the information described in the instructions when you present your request.

_____ I dispute the debt and/or the amount owed to the Department of Health and Human Services and request a hearing pursuant to the administrative wage garnishment and offset provisions. 45 C.F.R. § 32.5; 45 C.F.R. § 30.15. This hearing request has been submitted within fifteen days from the date of the collection notice.

_____ I request a waiver of overpayment pursuant to 5 U.S.C. § 5584(a), because the overpayment occurred through an administrative error, and I was not aware of the error and could not have reasonably been expected to have known of the error through receipt of any official document e.g. Leave and Earnings Statements, Notification of Personnel Action, SF-50 etc. I am aware that I am not entitled to a hearing under the waiver provision. A separate statement explaining the overpayment and the reason(s) for my dispute is attached.

_____ I do not request a waiver of overpayment pursuant to 5 U.S.C. § 5584(a). However, I am requesting that any administrative charges and/or interest incurred due to my indebtedness be waived because the overpayment occurred through an administrative error. I was not aware of the error and could not have reasonably been expected to have known of the error through receipt of any official document, e.g. Leave and Earnings Statements, Notification of Personnel Action, SF-50), etc. A separate statement explaining the overpayment and the reason(s) for my dispute is attached.

Employee Name _____ SSN: _____

Signature _____ Date _____

Completed by the Servicing Personnel Office only

Date Received _____ Name _____ Telephone Number _____

HR Center _____ For OPDIV _____

Guidelines for Completing the DD2481

SECTION 1: PAY AGENCY IDENTIFICATION

- a. Name – DFAS- Cleveland
- b. Address – 1240 E 9th St, Rm 2381
Cleveland, OH 44199

SECTION 2: EMPLOYEE IDENTIFICATION

- a. Name – Last Name, First Name, Middle Initial
- b. Address – Employee’s complete mailing address
- c. Date of Birth
- d. Social Security Number – please include the complete number and not the last 4 digits

SECTION 3: DEBT INFORMATION

- a. Reason for the Debt – self explanatory
- b. Date right to collect accrued – date the debt was generated
- c. Debt identification number, if any – maybe the employee’s SSN or some identifying information
- d. Original debt amount – self explanatory
- e. Number of installation – set amount or 15% of disposal pay
- f. Interest due – self explanatory
- g. Penalty due – self explanatory
- h. Administrative cost – self explanatory
- i. Total collection to be made – self explanatory
- j. Commence deductions on – effective date that collection will start

SECTION 4: DUE PROCESS

- a. Creditor component 30 day salary offset notice – day the employee was notified of the overpayment
- b. Employee did not respond – self explanatory
- c. Employee requested a hearing – self explanatory
- d. Hearing held – self explanatory
- e. Decision for creditor component – self explanatory
- f. Other – self explanatory

SECTION 5: CREDITOR COMPONENT INFORMATION

- a. Name – Creditor (HHS OPDIV)
- b. Address – HHS OPDIV complete mailing address
- c. Accounting classification – complete accounting classification that the overpayment will be collected into
- d. Document number, optional
- e. Certifying Official – Name and signature and telephone number for questions.

Request for Recovery of Debt Due the United States By Salary Offset							
1 Paying Agency Identification (OPDIV)				2 Employee Identification			
a. Name				a. Name (Last, First, Middle Initial)			
b. Address (Street, City, State and Zip Code)				b. Address (Street, City, State and Zip Code)			
				c. Date of Birth		d. Social Security Number	
To liquidate a debt to the United States, the named Creditor Component asks that the debt be collected as shown from the current pay of the employee identified above. Notices and inquires concerning the debt should be sent to							
3. Debt Information							
a. Reason for Debt							
b. Date Right to Collect Accrued				c. Debt Identification Number, If Any			
d. Original Debt Amount	\$			e. Number of Installment	@	Amount	
				(1)		(2)	
f. Interest Due (If none, show N/A)	\$					\$	
g. Penalty Due (If none, show N/A)	\$					\$	
h. Administrative Cost (If none, show N/A)	\$						
i. Total Collection To Be Made				j. Commence Deductions On (Enter Date)			
4. Due Process (X applicable items and either enter date action taken in Column (1) or X Column (2) or (3) and attach acknowledgment or consent.)							
	Date Action Taken (1)	Acknowledgement (2)	Consent (3)		Date Action Taken (1)	Acknowledgement (2)	Consent (3)
a. Creditor Component 30 Day Salary Offset Notice				d. Hearing Held			
b. Employee Did Not Respond (Consent assumed)				e. Decision for Creditor Component			
c. Employee Requested A Hearing				f. Other (Specify)			
I Certify the following:							
(1) The debt identified above is properly due the United States from the named employee in the amount shown;							
(2) This Agency's regulations implementing 5 U.S.C. 5514 have been approved by the Office of Personnel Management;							
(3) The information concerning this Component's and the employee's actions is correct as stated.							
5. Creditor Component Information							
a. Name							
b. Address (Street, City, State and Zip Code)							
c. Accounting Classification (Line of Accounting)							
d. Document Number							
e. Certifying Official							
(1) Signature				(2) Date Signed			
(3) Title				(4) Telephone Number			
6. DFAS Accounting Office							
a. Office and Symbol						b. Date	

HHS Revised form DD2481

SAMPLE

DEBT COLLECTION LETTER FOR SEPARATED EMPLOYEES

Each Payroll Office
Letterhead here

(1)DATE: Month date, year

(2A)Name
(2B)Street
City, State Zip

Dear Name:

An overpayment record has been generated on your pay account for pay period(s) ending _____(20). The gross amount of your overpayment (including pay, all taxes, benefits and other deductions) is _____(5). The overpayment is the result of _____(4).

Under the provisions of 31 CFR 901.2, payment of this debt is due within 30 days from the date of this letter. You may remit the repayment in the net amount of \$ _____(6) by check or money order payable to DFAS-CL DSSN _____(7), along with the payment coupon at the bottom of this letter to _____(8).

If you do not repay the debt in full within ___(9) days it will be forwarded to the Office of Personnel Management (OPM) or the office that handles your agency's 'out-of-service' debts for further action.

We encourage your prompt payment as in accordance with 4 CFR 102. 13 and 31 USC 3717, interest at the Treasury tax and loan rate, **penalties and administrative fees**, may be assessed from the date of this letter on any part of the debt not paid within ___(9) days of the date of this letter.

You may request copies of records we hold pertaining to your debt by contacting this office.

If you have any questions about your debt you may contact your timekeeper for time and attendance corrections, or your personnel office for changes in personnel items or allowances. For general questions your Customer Service Representative (CSR) can either assist you or contact this office to obtain information relative to your needs. Your CSR cannot answer questions on debts more than 12 months old. Contact the payroll office Customer Service Desk, at (comm phone number), DSN (DSN prefix)(14) for action.

You may also request a waiver of repayment of the debt if you acknowledge the validity of the debt, but believe you should not be required to repay it. Although collection of your debt may continue after receipt of your waiver request, any amount collected by this office that is later waived will be refunded to you. Detailed guidance regarding waiver of claims for erroneous payments under the authority of 5 USC 5584 are contained in regulations of the employing agency.

_____ **new fill-in-the-blank contains the agency's web site.**

Sincerely,

(Signature Name)(15)
Supervisor, Debt Processing

Please remit with payment:

Name _____(2A)_____ SSN____(17)____ PayBlk_(18)____ Code_(19)_
Debt Dates____(20)_____ Debt Type____(4)_____ Creation Date ____ (3)____
Sequence Number____(21)_____
LOA_____(22)_____

Payment Amount Enclosed \$_____(23)_____.

