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Administrative Billings and Collections System (ABCO)



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Administrative Billings Processing

PROCEDURE MANUAL
Administrative Billings and Collections System



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Latest Update Information

The following changes have been made to the Administrative Billings and Collections System (ABCO) procedure:

Section	Description of Change
ABCO Procedure Manual	Procedure document has been updated throughout with the Debt Management Initiative (DMI) processing information.
Processing Workflows	Detailed Processing Workflows have been added to manual.



Introduction

The Administrative Billings and Collections System (ABCO) is an accounts receivable system of the United States Department of Agriculture (USDA). It provides a method for billing and collecting debts from Federal employees (current, separated, or retired) having outstanding debts with the Government.

For all debtor accounts established, ABCO monitors the debt and records all collections on the accounts until the debts are resolved. ABCO also processes voluntary (unbilled) collections for which only accounting records are produced and no bill is required.

Receivables are established in ABCO for:

- Overpayments, erroneous payments, or duplicate payments that are processed in the USDA Payroll/Personnel System (PPS).
- Other employee-related debts, such as damage to Government Property or failure to return Government property.
- Voluntary collections received.



Overview

In an effort to improve Debt Management Services at the National Finance Center (NFC), the following procedures have been developed to identify Agency and NFC responsibilities. The objective of these procedures is to improve reporting and accelerate the processing and referral of the delinquent debt to conform with the Debt Collection Act of 1982, as amended by the Debt Collection Improvement Act (DCIA) of 1996 and the Office of Management and Budget's (OMB) Circular No. A-129. The DCIA and OMB's Circular No. A-129 govern the requirements for managing and collecting non-tax debts.

- The DCIA requires that a debt that is delinquent more than 120 days be referred to the United States Department of the Treasury (Treasury) for further collection action.
- The OMB Circular No. A-129 mandates the following:
 - Delinquent receivables older than 2 years be written off unless documented and justified to OMB in consultation with Treasury.
 - Delinquent receivables under 2 years, the OMB Circular No. A-129 authorizes collection methods which include the following:
 - Demand letters
 - Administrative wage garnishment
 - Referring delinquent debts to the Treasury Offset Program (TOP)
 - Transferring delinquent debts to Treasury Cross-Servicing (Cross-Servicing)

These laws authorize automatic deduction from an indebted employee's disposable pay as a collection procedure. Included in the repayment of the debt are interest, penalties, and administrative costs on overdue debts. It also authorizes the Government to contract for private collection services and to disclose information on debts to credit-reporting services and Treasury.

- These Acts permit collection of salary-related debts, program debts, and general employee indebtedness by offset against an employee's current or final salary.
- These Acts prescribe standards to determine the amount to be deducted from an employee's basic pay, special pay, incentive pay, retired pay, or other authorized pay.

This section includes the following topics:

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How Other Systems Interface with ABCO

ABCO provides accounting data related to revenue, refunds, or reimbursements for USDA's Budget Cost and General Ledger Systems. It interfaces with other USDA systems (e.g., Travel and PPS) to properly record billing and collection transactions. ABCO provides automatic recording, aging, and reporting of receivables which eliminates the need for Agency period-end estimates.

ABCO provides online debtor-account information through the Administrative Billings and Collections Inquiry (ABCOINQ). ABCOINQ allows Agencies to view:

- Receivable records for overpayments, erroneous payments, duplicate payments, or voluntary collections.
- A list of receivables by debtor number.
- Collection and adjustment records.
- Bill records (including prior bill amount, past due amount, current charges, and bill amount).
- Details of the receivable record.

For detailed information on using ABCOINQ, refer to the ABCOINQ procedure manual available on the NFC Web site. To view and/or print this procedure, select **HR and Payroll Clients** from the **MyNFC** drop-down menu on the NFC homepage. At the HR and Payroll Clients page, click the **Publications** tab in the center ribbon and from there select the Administrative Billings and Processing (BILL) category to access the procedural manual.

Security Access

Agencies must request access to ABCO through their Agency Security Officer (ASO).

Who to Contact for Help

For questions about NFC processing, authorized Servicing Personnel Office representatives should contact the NFC Contact Center at **1-855-NFC-4GOV (1-855-632-4468)** or via the Internet using the Requester Console.



Salary Offset Due to Employee Indebtedness

Employee indebtedness may be initiated by submitting corrected Time and Attendance (T&A) reports, personnel actions, or via the Web-based Special Payroll Processing System (SPPS Web). After notification has been sent to the employee and a 30-day waiting period has expired, NFC will begin deductions from the employee's salary. The amount deducted and the amount deducted per pay period depends on whether the indebtedness is major or minor. A major indebtedness exceeds 15 percent of the employee's disposable pay and will be offset in installments. A minor indebtedness is less than or equal to 15 percent of the disposable pay and is collected in a one-time pay deduction through salary offset.



Notices

The employee rights notices are as identified below.

- Form NFC-MPay, Notice of Missed Payment, is submitted to the debtor when funds are not received to cover the agreed upon amount as per the repayment agreement. See **Exhibit 1: Form NFC-MPay, Notice of Missed Payment** (on page 42).

Note: This form generates in two formats based on the type of missed payment.

- Form NFC-PPay, Notice of Partial Payment, is submitted to the debtor when funds received or garnished were insufficient to cover the agreed upon amount as per the repayment agreement. **Exhibit 2: Form NFC-PPay, Notice of Partial Payment** (on page 44).

The Debt Management Employee Rights Notices debtor packages are identified below.

- Form NFC-631, Demand Notice for Payment. The Form NFC-631 is submitted to a separated debtor informing them of their indebtedness due to the United States Government. This notice is mailed with the following forms to create a debtor package. This debtor package provides them the option to enter into an acceptable repayment agreement, informs them of their detailed rights, and what actions will be taken on the debt if it is deemed delinquent. See Exhibit 3: Form NFC-631, Demand Notice for Payment and Debtor Package (Form NFC-631pg2, Form NFC-631pg3, Form NFC-631pg4, Form NFC-631pg5, and Form NFC-631pg6) .
 - Form NFC-631pg2, Repayment Agreement
 - Form NFC-631pg3, Bill For Collection (continued)

Note: This form will generate only when the debt information exceeds one page.

- Form NFC-631pg4, Employee Rights Notice
- Form NFC-631pg5, Employee Rights Notice
- Form NFC-631pg6, To Avoid Referral To The Department Of Treasury
- Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment. Form NFC-1100 is for **Non-Treasury Departments**. Form NFC-1100 is submitted to an active debtor informing them of their indebtedness due to the United States Government. This notice is mailed with the following forms to create a debtor package. This debtor package provides them the option to enter into an acceptable repayment agreement, informs them of their detailed employee rights, what actions will be taken on the debt if it is deemed delinquent and emphasizes on the following statement: Important: If your pay becomes insufficient to cover the payment due through salary deduction, i.e., you enter into a non-pay status or separate from service, it is your responsibility to submit the missed



payment to the National Finance Center (NFC) to avoid delinquency. See Exhibit 4: Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment and Debtor Package (Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101).

- Form NFC-1100pg2ALL, Employee Rights Notice
- Form NFC-1100pg3ALL, Employee Rights Notice
- Form NFC-1100pg4ALL, To Avoid Referral To The Department Of Treasury
- Form NFC-1101, Notice of Intent to Offset Salary and Repayment Agreement
- Form NFC-1100TR, Notice of Overpayment of Salary and Demand for Payment. Form NFC-1100TR is for **Treasury Departments**. Form NFC-1100TR is submitted to an active debtor informing them of their indebtedness due to the United States Government. This notice is mailed with the following forms to create a debtor package. This debtor package provides them the option to enter into an acceptable repayment agreement, informs them of their detailed employee rights, what actions will be taken on the debt if it is deemed delinquent and emphasizes on the following statement: Important: If your pay becomes insufficient to cover the payment due through salary deduction, i.e., you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency. See Exhibit 5: Form NFC-1100TR, Notice of Overpayment of Salary and Demand for Payment and Debtor Package (Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101TR).
 - Form NFC-1100pg2ALL, Employee Rights Notice
 - Form NFC-1100pg3ALL, Employee Rights Notice
 - Form NFC-1100pg4ALL, To Avoid Referral To The Department Of Treasury
 - Form NFC-1101TR, Repayment Agreement
- Form NFC-937, Notice of Intent to Recover Past Due Health Benefit From Salary. Form NFC-937 is for **Non-Treasury Departments**. Form NFC-937 is submitted to an active debtor informing them of their indebtedness due to the United States Government due to a past due health premium. This notice is mailed with the following forms to create a debtor package. This debtor package provides them the option to enter into an acceptable repayment agreement, informs them of their detailed employee rights, what actions will be taken on the debt if it is deemed delinquent and emphasizes on the following statement: Important: If your pay becomes insufficient to cover the payment due through salary deduction, i.e., you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency. See Exhibit 6: Form NFC-937, Notice of Intent to Recover Past-Due Health Benefits From Salary and Debtor Package (Form NFC-937pg2, Form NFC-937pg3ALL, and Form NFC-937pg4ALL).
 - Form NFC-937pg2ALL, Employee Rights Notice



- Form NFC-937pg3ALL, Employee Rights Notice
- Form NFC-937pg4ALL, To Avoid Referral To The Department Of Treasury
- Form NFC-937TR, Notice of Intent to Recover Past Due Health Benefit From Salary. Form NFC-937TR is for **Treasury Departments**. Form NFC-937TR is submitted to an active debtor informing them of their indebtedness due to the United States Government due to a past due health premium. This notice is mailed with the following forms to create a debtor package. This debtor package provides them the option to enter into an acceptable repayment agreement, informs them of their detailed employee rights, what actions will be taken on the debt if it is deemed delinquent and emphasizes on the following statement: Important: If your pay becomes insufficient to cover the payment due through salary deduction, i.e., you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency. See Exhibit 7: Form NFC 937TR, Notice of Intent to Recover Past-Due Health Benefits from Salary and Debtor Package (Form NFC-937pg2TR, Form NFC-937pg3ALL, and Form NFC-937pg4ALL).
 - Form NFC-937pg2TR, Employee Rights Notice
 - Form NFC-937pg3ALL, Employee Rights Notice
 - Form NFC-937pg4ALL, To Avoid Referral To The Department Of Treasury



Bill Initiation

Nonsystem-generated bills are established by Agencies submitting Form AD-343, Payroll Action Request, an email from an authorized person, or a properly executed payroll request in SPPS Web.

When NFC receives a request from the Agency, the billing data is entered in ABCO. Form NFC-631, Demand Notice for Payment, Form NFC-631pg2, Form NFC-631pg3, Form NFC-631pg4, Form NFC-631pg5, and Form NFC-631pg6, are generated and sent to the debtor.

Note: Bills are not issued for amounts less than or equal to \$50. These amounts will be automatically offset from an employee’s salary in the next pay period if the debtor is payrolled by NFC. The following statement will appear in the Item Description column of the Earnings and Leave Statement for this garnishment, **OVERPAYMENT COLLECTED PER 5CFR 550.1104C. CONTACT YOUR AGENCY FOR MORE INFORMATION.**

This section includes the following topics:

Notice of Overpayment of Salary and Demand for Payment	11
Employee Separation (From His/Her Agency).....	13
Past Due Health Benefits	13

Notice of Overpayment of Salary and Demand for Payment

For Non-Treasury Department

If the Agency requests that NFC issue the salary-offset notice, NFC calculates the debt and generates a debtor package, which consists of Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment, Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101. The debtor package includes the forms identified below. This debtor package is sent to the employee’s personnel office, who is responsible for forwarding the notices to the employee. These notices include the following information:

- The amount of the debt and related facts.
- NFC's intention to deduct not more than 15 percent from the employee’s current disposable pay until the debt, accrued interest, and other costs are paid.
- The estimated amount, frequency, proposed beginning date, and duration of the deductions.
- An explanation concerning the current rate of interest. Interest is charged at the current rate established by Treasury, unless a Department has regulations allowing a higher rate. Interest is charged on the unpaid balance every month, beginning with the second month after the date on the Form NFC-1100. Interest is not accrued on those debts paid in a lump sum on or before the pay period stated on the notice. The interest rate charged



when the debt is computed remains at the fixed rate for the duration of the time used in repaying the debt.

Forms

- Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment

Note: The Agency contact that is displayed on this notice is derived from the information that is located in the Table Management System (TMGT), Table 113, Agency Contact for Intent to Offset Salary Notice. It is the Agency's responsibility to update and maintain their Agency Contact/Address information in TMGT, Table 113. If nothing is entered in the table, the Agency Contact information will remain blank when the notice is printed. The Agency will then be responsible for manually entering the Agency Contact information into each notice once they are received from ABCO and before submittal to the debtor.

- Form NFC-1100pg2ALL, Employee Rights Notice
- Form NFC-1100pg3ALL, Employee Rights Notice
- Form NFC-1100pg4ALL, To Avoid Referral To The Department Of Treasury
- Form NFC-1101, Notice of Intent to Offset Salary and Repayment Agreement

For Treasury Department

If the Agency requests that NFC issue the salary-offset notice, NFC calculates the debt and generates a debtor package, which consists of Form NFC-1100TR, Notice of Overpayment of Salary and Demand for Payment, Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101TR. The debtor package includes the forms identified below. This debtor package is then sent to the employee's personnel office, who is responsible for forwarding the notices to the employee. These notices include the following information:

- The amount of the debt and related facts.
- NFC's intention to deduct not more than 15 percent from the employee's current disposable pay until the debt, accrued interest, and other costs are paid.
- The estimated amount, frequency, proposed beginning date, and duration of the deductions.
- An explanation concerning the current rate of interest. Interest is charged at the current rate established by Treasury, unless a Department has regulations allowing a higher rate. Interest is charged on the unpaid balance every month, beginning with the second month after the date on the Form NFC-1100. Interest is not accrued on those debts paid in a lump sum on or before the pay period stated on the notice. The interest rate charged when the debt is computed remains at the fixed rate for the duration of the time used in repaying the debt.

Forms



- Form NFC-1100TR, Notice of Overpayment of Salary and Demand for Payment

Note: The Agency contact that is displayed on this notice is derived from the information that is located in TMGT, Table 113, Agency Contact for Intent to Offset Salary Notice. It is the Agency's responsibility to update and maintain their Agency Contact/Address information in TMGT, Table 113. If nothing is entered in the table, the Agency Contact information will remain blank when the notice is printed. The Agency will then be responsible for manually entering the Agency Contact information into each notice once they are received from ABCO and before submittal to the debtor.

- Form NFC-1100pg2TR, Employee Rights Notice
- Form NFC-1100pg3ALL, Employee Rights Notice
- Form NFC-1100pg4ALL, To Avoid Referral To The Department Of Treasury
- Form NFC-1101TR, Repayment Agreement

Note: Treasury Agency employees must sign and submit the Form NFC-1101TR to avoid delinquency.

Employee Separation (From His/Her Agency)

If an employee separates from his/her Agency through resignation or death before collection of a debt is completed, the balance is automatically collected from any subsequent payments due the indebted employee (e.g., final salary, lump sum payments). In addition to salary offset, when an employee separates or retires from an Agency and leaves an indebtedness, his retirement account can be levied against for settlement of the account. NFC forwards the account information to the Office of Personnel Management (OPM) **Exhibit 8: Lien Letter** (on page 69).

NFC generates and forwards to the debtor Form NFC-631, Demand Notice for Payment, and the debtor package. This notice is used for the following reasons: Employee debts that are not related to salary overpayments; for all debts of employees who have separated from his/her Agency before the debt collection was completed; and for all other Federal or non-Federal debtors, with the exception of carrier billings.

Past Due Health Benefits

When an employee is in non-pay status, it is the Agency's responsibility to process a personnel action, Standard Form (SF) 50, Notification of Personnel Action, with the appropriate nature of action code. Also, the one-digit number indicating the correct employment status code (displayed on the Information/Research Inquiry System (IRIS) 101) must be on the SF 50.

If the above is not done, a T&A Report must be submitted each pay period indicating transaction code (TC) 71 for leave without pay (LWOP), TC-72 for absent without official leave (AWOL), or TC-73 for suspension.



When an employee is in a non-pay status and is covered by Federal Health Benefits, he/she is obligated to continue payments for premiums using one of the following options:

- The employee may continue paying premiums by sending payments to NFC.
- The employee may opt to wait until they are returned to pay status. In this situation, NFC will send the employee one of the following:

Non-Treasury Department employees will receive the following notices:

- Form NFC-937, Notice of Intent to Recover Past-Due Health Benefits From Salary
- Form NFC-937pg2, Employee Rights Notice
- Form NFC-937pg3ALL, Employee Rights Notice
- Form NFC-937pg4ALL, To Avoid Referral To The Department Of Treasury

Treasury Department employees will receive the following notices:

- Form NFC 937TR, Notice of Intent to Recover Past-Due Health Benefits from Salary
- Form NFC-937pg2TR, Employee Rights Notice
- Form NFC-937pg3ALL, Employee Rights Notice
- Form NFC-937pg4ALL, To Avoid Referral To The Department Of Treasury

Note: Tax implications should be included when discussing options for repayment of premiums.

If the employee does not pay the amount due or make other arrangements to satisfy the debt, NFC will begin making deductions from the employee's salary beginning the pay period following the due date (30 days from the date on the Form NFC-937 or the Form NFC-937TR).



Repayment Methods

The debt may be repaid by either payroll deductions or a cash payment (check or money-order) for the full amount. If the employee has signed Form NFC-1101 (Non-Treasury Department) or Form NFC1100TR (Treasury Department) the employee can have the total amount deducted in a single pay period on or before the pay period specified on the agreement. The employee may have less than 15 percent deducted, but not less than \$50, if the Agency's approving official determines that the 15 percent deduction would create an extreme financial hardship on the employee. In this situation, the approving official's signature and title must be on the Repayment Agreement.

Note: The authorized official's name **must be** established in TMGT, Table 063, Department/Agency/Bureau Contact. It is the responsibility of every Agency to update and maintain authorized contact types within TMGT, Table 063.

Specific details in the repayment of debts are listed below:

- If NFC issues the notice of a debt that is less than 15 percent of the employee's disposable pay, the full amount is automatically deducted in the second pay period after the 30-day waiting period has expired or in a pay period requested by the Agency.
- If the employee's debt exceeds 15 percent of disposable pay and he/she does not sign the Repayment Agreement or has not paid the debt in full, 15 percent of disposable pay is deducted from the employee's pay until the debt is repaid. The deductions begin on the second pay period after the 30-day waiting period has expired.
- If two or more debts have been incurred, the total deductions cannot exceed 15 percent disposable pay unless the employee consents in writing to a larger amount.

Note: Treasury Department Agency employees must sign and submit the NFC-1100TR to avoid delinquency.



Agency Responsibilities

To assist Agencies in managing their delinquent debts to protect the Government's assets and to minimize losses to comply with the DCIA and OMB Circular No. A-129, Agencies will receive a package on a monthly basis via email. This package will include a standard letter regarding the Debt Management Improvement Plan, a listing of receivables that will identify all accounts requiring immediate Agency attention, and an explanation of the status codes that may be included on the list. The debt(s) will continue to reoccur on this listing until the appropriate action is taken and the debt is cleared. Each account may have one of the following status codes applied to assist in determining what type of action is required:

- **Hold (HO)** - This code identifies a delinquent debt that has been placed on hold as per your Agency's instruction. A hold status can be placed on the account to suspend collections for two pay periods.

Note: If more than two pay periods is required to thoroughly research the account, an additional two-pay-period hold may be requested from a higher level of authority within your Agency.

- **Second Hold (SH)** - This code identifies a delinquent debt that has been placed on hold for a second time, as per your Agency's instruction.
- **Waiver (WA)** - This code identifies that a waiver has been applied; however, approving documentation is still pending.
- **Cancellation (CA)** - This code identifies that a cancellation has been applied; however, additional processing and/or documentation may be required.
- **Hearing (HR)** - This code identifies that a debtor has received a hearing and is either waiting on a hearing date or a judgment decision.

The Agency's authorized representative **must** take appropriate action as needed on the following scenarios identified below.

- **Suspension of Collection** - Agencies will no longer be allowed to extend holds without restrictions, as this results in multiple suspensions of debt collection activity for excessive periods of time.
 - **Hold requests** - Agencies can request that the debt be placed on hold for two pay periods. A second request can be made from a higher authority to place the debt on hold for an additional two pay periods. After a debt has been on hold for a total of four pay periods, salary offset will begin on the debt. NFC will not refund any money collected as a result of the Agency's failure to timely submit a hold request.
 - All suspension of collection requests (holds, waivers, cancellations, employee applied for a hearing) **must be received** by the NFC Contact Center (NCC) no later than 2:00 p.m. central standard time on the first Wednesday before the first Thursday and Friday that the Payroll Computation System (PAYE) processes. Refer to the



Payroll/Personnel Processing Cycle Chart (on page 38) that illustrates the daily processing of payroll/personnel transactions.

Note: Due to holiday schedules or unforeseen circumstances processing the first pass of PAYE could be changed.

- **Waiver/Hearing requests** - If NFC receives a request to waive a debt or information is received that states that the debtor has requested a waiver of the debt, an additional five pay-period suspension of collection can be requested by the Agency. NFC understands that some debts will require sensitive deliberations that will require additional time to resolve. As such, every five pay periods a waiver request or hearing request can be renewed until a decision concerning the debt has been determined. To avoid additional charges to the Agency and to conform with the DCIA, please note that any money collected prior to the waiver request will not be refunded until a final decision has been determined regarding the debt.
- **Hardship Requests** - It is the Agency's responsibility to review and approve requests for a reduced amount of collection due to a financial hardship.

Note: As per the Agency's request, NFC will reduce the collection amount. However, the minimum amount allowed to be processed is \$50 per pay period, or if separated \$100 a month. If the hardship request is **dated** prior to the first Thursday that the PAYE processes and is received after collection procedures have commenced, NFC will honor the late request and adjust the garnishment amount for collections subsequent to the receipt of the hardship request. However, any collections received by NFC prior to the hardship request, including payroll garnishments, will not be refunded.



Forms

For more information see:

Form AD-343, Payroll Action Request	18
Form AD-3041, ADJP Waiver/Cancellation Request	22

Form AD-343, Payroll Action Request

Form AD-343, Payroll Action Request, is shown below and used by Agencies to initiate billings for employees payrolled at NFC for items other than salary overpayments; such as travel debts, damage to Government property, or failure to return Government property. The completed form must be submitted to the address preprinted on the form which is shown below. The Agencies should retain a copy for their files. After the Form AD-343 is received and processed at NFC, the Form NFC-631 is produced and mailed to the employee.

USDA, National Finance Center
Attn: ABCO Section - Billings Unit
P.O. Box 61765
New Orleans, Louisiana 70161



PAYROLL ACTION REQUEST		2. ADJUSTMENT PERIOD (Inclusive)			
		FROM		TO	
		DATE	P/P	DATE	P/P
1.	PERSONNEL OFFICE SEQUENTIAL REQUEST NUMBER				
3.	INSTRUCTIONS ON REVERSE OF AGENCY COPY PLEASE READ CAREFULLY	4. FROM			
		AGENCY CODE	PERSONNEL OFFICE IDENTIFIER	ACCT. STATION CODE	
U.S. DEPARTMENT OF AGRICULTURE NATIONAL FINANCE CENTER PO BOX 60000 NEW ORLEANS LA 70160		AGENCY NAME AND MAILING ADDRESS			
		CITY STATE ZIP CODE			
		5. EMPLOYEE'S T&A CONTACT POINT			
		6. FLSA			
		<input type="checkbox"/> EXEMPT	<input type="checkbox"/> NON-EXEMPT		
		7. RETIREMENT COVERAGE CODE			
		8. TYPE EMPLOYMENT			
		<input type="checkbox"/> FULL-TIME	<input type="checkbox"/> INTERMIT-TENT	<input type="checkbox"/> REEMPLOYED ANNUITANT	
		<input type="checkbox"/> PART-TIME	<input type="checkbox"/> ALTERNATE WORK SCHEDULE		
9. SOCIAL SECURITY NO.	10. EMPLOYEE'S NAME (Last, First, Middle Initial)				
11. NATURE OF ACTION TO BE TAKEN		12. TERMINATED			
		IF YES		DATE TERMINATED	
		<input type="checkbox"/> NO	<input type="checkbox"/> YES		
13. EXPLANATION OF CIRCUMSTANCES WHICH REQUIRE THIS ACTION		CHECK MAILING ADDRESS OR DESIGNATED AGENT NUMBER			
		14. GROSS AMOUNT OF ADJUSTMENT			
		\$			
15. ACCOUNTING DATA TO BE CHARGED AND/OR CREDITED					
16. ATTACHMENTS SUPPORTING OR AUTHORIZING THIS ACTION					
17. PERSON TO BE CONTACTED FOR ADDITIONAL INFORMATION		TELEPHONE (Area Code and Number)			
18. EMPLOYEE'S SIGNATURE AND DATE SIGNED (If Required)					
19. APPROVAL					
AUTHORIZED OFFICIAL'S SIGNATURE AND TITLE				DATE APPROVED	

NFC

FORM AD-343 (USDA) (REV. 11/95)

Figure 1: Form AD-343, Payroll Action Request



Instructions for Completing Form AD-343, Payroll Action Request

Complete Form AD-343 comments according to the instructions below.

Block Number on Form	Title on Block	Instructions
Block 1	Personnel Office Sequential Request Number	Enter the Agency-assigned sequential number to identify the payroll action request. The first request of the year should start with one. Thereafter, each request is assigned the next number in ascending order. Each leave year, a new series of numbers is issued.
Block 2	Adjustment Period (Inclusive), From: Date P/P, To: Date P/P	Enter the inclusive dates and pay periods for the adjustment. When the request for an adjustment or correction involves one or more previous pay periods, a detailed description is shown in Block 13, Explanation of Circumstances Which Require This Action.
Block 3	Instructions on Reverse of Agency Copy Please Read Carefully	Do not enter any information in this block.
Block 4	From: Agency Code, Personnel Office Identifier, Acct. Station Code, Agency Name and Mailing Address, City, State, Zip Code	Enter the two-digit Agency code assigned by the Department for the Agency-code. Enter the four-digit code assigned by the Agency to the personnel office responsible for processing personnel and other related documents for the employee for the Personnel Office Identifier. Enter the four-digit accounting station code assigned as the Agency Accounting Station Code. Enter the full name and address of the office preparing the request in the Agency Name and Mailing Address. <u>Note: Ensure that the information is shown correctly, since future correspondence will be sent to the address identified in this block.</u>
Block 5	Employee's T&A Contact Point	Enter the applicable contact-point code to identify the Agency office where NFC can direct inquiries about T&A reports.
Block 6	FLSA	Check the exempt box for employees not covered under the Fair Labor Standards Act (FLSA). Check the non-exempt box for employees covered under the FLSA.



Block Number on Form	Title on Block	Instructions
Block 7	Retirement Coverage Code	Enter the code to indicate if the employee's appointment is subject to Federal Insurance Contributions Act (FICA) or retirement deductions at the appropriate percentage rate. Annotate whether the employee is Civil Service Retirement System (CSRS), CSRS Offset, or Federal Employees Retirement System (FERS).
Block 8	Type Employment	Check the block that indicates the employee's type of employment (full-time, intermittent, reemployed annuitant, part-time, alternate work schedule).
Block 9	Social Security No.	Enter the employee's Social Security number (SSN) to ensure the action is processed against the correct record. No entry or an incorrect entry will result in a processing delay. If the request involves more than one pay period or employee, enter "See Attachment" and list the names, SSNs, and pay periods on an attachment.
Block 10	Employee's Name (Last, First, Middle Initial)	Enter the employee's full name as it appears on the employee's SF 50, Notification of Personnel Action, (Last, First, Middle Initial). If the request involves more than one employee, enter "See Attachment" and list the names and SSNs on an attachment.
Block 11	Nature of Action To Be Taken	Enter a description of the type of action to be taken. Enter detailed explanations in Block 13, Explanation of Circumstances Which Require This Action. If an employee has different transactions, a separate Form AD-343, Payroll Action Request, must be used.
Block 12	Terminated	Check the appropriate block, if applicable. If the employee was terminated, enter the date terminated. Enter the employee's mailing address. If check is to be mailed to a designated agent, enter the Agency assigned four-digit Agency number.
Block 13	Explanation of Circumstances Which Require This Action	Enter the detailed explanation of the transaction. Includes specific dates if applicable. For additional space, use a separate sheet and enter "See Attachment".
Block 14	Gross Amount of Adjustment	Enter the gross amount of the adjustment, if available.



Block Number on Form	Title on Block	Instructions
Block 15	Accounting Data To Be Charged and/or Credited	Enter the appropriate accounting code to be used on the amounts entered in Block 13, Explanation of Circumstances Which Require This Action. If the charges or credits affect multiple accounting distributions, each must be entered. If the correction involves a number of line items, enter "See Attachment" and list the data on an attachment. Also enter the dollar amounts or hours for each line item. In addition to these entries, include the object classification code(s) used for the payment transactions.
Block 16	Attachments Supporting or Authorizing This Action	Enter a detailed description of each attached document that relates to or authorizes the action. Also, show in parentheses the number of documents attached.
Block 17	Person To Be Contacted for Additional Information, Telephone	Enter the name and telephone number of the person that NFC should contact for additional information.
Block 18	Employee's Signature and Date Signed (If Required)	The employee should sign and date this block only if the regulations require consent from the employee.
Block 19	Approval	The authorized official must sign and enter their official title. Additionally, the date approved must be entered.

Form AD-3041, ADJP Waiver/Cancellation Request

Form AD-3041, ADJP Waiver/Cancellation Request - This form is to be used by Agencies to submit a request to waive or cancel a debt. To access Form AD-3041, select the **HR and Payroll Clients** from the **MyNFC** drop-down menu on the NFC homepage. At the HR and Payroll Clients page click the **Publications** tab in the center ribbon and from there select **AD Forms** from the Forms Library category. Then select AD-3041 from the list. Submit the completed Form AD-3041 to NFC using one of the following methods:

- Enter into Remedy via the Requester Console
- Email to the NFCContactcenter@nfc.usda.gov
- Mail to NFC at the following address:



USDA/OCFO/NFC/GESD/GICD/DMSB
P.O. Box 61765
New Orleans, LA 70161

It is the Agency's responsibility to ensure that all required information on the form is completed. Incomplete forms will not be processed and will be returned to the Agency.

Note: The authorized official that signs the Form AD-3041, **must be** established in TMGT, Table 063.



Reports

ABCO provides periodic reports to Agencies. **Exhibit 9: Report ABCO6I01, Status of Debtor Accounts** (on page 70) is generated from the data in ABCO. This monthly report notifies Agencies of employee debtor accounts. It also provides a mechanism for Agencies to monitor outstanding accounts receivable and accounts brought current. This report lists debtor accounts according to debtor number and provides other data, such as outstanding amounts. Agencies can also generate ad hoc reports through FOCUS. To view and/or print these procedures, select **HR and Payroll Clients** from the **MyNFC** drop-down menu on the NFC homepage. At the HR and Payroll Clients page, click the **Publications** tab in the center ribbon and from there select the Reporting (REPT) category and then select the FOCUS procedure manual.

To keep personnel offices fully informed as to the pay periods in which deductions begin, a system-generated report, **Exhibit 10: Report ABCO2Y01, Outstanding Salary Offset Debts-Suspended by Agency as of Pay Period XX** (on page 71), is produced each pay period and mailed to personnel offices. The report projects two pay periods in advance of the pay period in which salary offsets begin and includes the status codes used to identify the reasons for the extended times requested. The status codes are as follows:

HO – Agency requests to review bill

HR – Employee requests hearing

WA – Waiver pending with Agency

Additionally the following reports are available for Agency use via Insight. To access Insight, select the **HR and Payroll Clients** from the **MyNFC** drop-down menu on the NFC homepage. At the HR and Payroll Clients page, click the **Insight** icon under the Launch an HR/Payroll Application category.

- Listing of Outstanding Receivables - Provides the user with a view of all the open receivables contained in the ABCO database.
- Detailed Listing of Delinquent Receivables - Provides the user with a view of the delinquent receivables.



Processing Workflows

To assist Agencies in correctly processing the debt account, consult the applicable workflow documents listed below for detailed information regarding Agency and NFC responsibilities:

Note: These estimated timeframes are an estimate. Actual days may vary depending upon complexity, accuracy, and completeness of information received and other factors outside of either party's control.

For more information see:

Adjustment Processing Bills, Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment and Form NFC-1101, Notice of Intent to Offset Salary and Repayment Agreement.....	25
FEHB Bill, Form NFC-937, Notice of Intent to Recover Past Due Health Benefits from Salary.....	27
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Adjustment Processing Bills, Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment and Form NFC-1101, Notice of Intent to Offset Salary and Repayment Agreement

Salary overpayment notices are generated by the system due to a record that has processed in PPS for a Corrected T&A record; late personnel action; or the submission of the Form NFC 29, Pay Adjustment Document.



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
Submits a Corrected T&A record, Form NFC 29, or a Nature of Action (NOA) code.		As needed
	Processes payroll Thursday and Friday of week 1 of the following pay period.	3-10 business days (Depending upon payroll cycle)
	Retrieves payroll file on the first business day of the week following payroll processing. A receivable record is created; however, a bill will not be generated until the NOA code indicates that the employee is in pay status or has been separated.	1 business day
Processes a T&A placing the employee in pay status or NOA code to separate the employee. Late processing of an NOA delays the billing process.		1-16 business days (Depending upon payroll cycle.)
	Produces Form NFC-1100 and the debtor package to mail on the 1st, 8th, 16th, and 24th of the month. <u>Note: Form NFC-1100TR is generated for Treasury Department employees.</u>	1-16 business days (Depending upon the payroll and billing cycles.)
	Mails Form NFC-1100, Form NFC-1101, and the debtor package to the Agency. <u>Note: Form NFC-1100TR and Form NFC-1101TR is generated for Treasury Departments employees.</u>	1 business day
Reviews debt for accuracy and distributes the debtor package to the employee. Approves and signs repayment agreement or hardship request submitted by the employee. Informs NFC of the terms of the agreement using one of the following methods: <ul style="list-style-type: none"> • Requester Console 		2-3 business days



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
<ul style="list-style-type: none"> • Email to <i>NFCcontactcenter@nfc.usda.gov</i> • Mail to USDA/OCFO/NFC/ GESD/GICD/DMSB P.O. Box 61765 New Orleans, LA 70161 		
	Receives terms of the agreement and updates the accounts receivable record in ABCO. Processes deductions from the employee's pay and posts the accounts receivable record.	50 business days

FEHB Bill, Form NFC-937, Notice of Intent to Recover Past Due Health Benefits from Salary

When an employee is in non-pay status and is covered by the Federal Employees Health Benefits (FEHB), they are obligated to continue payments for their share of the premiums.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
Submits T&A record to NFC with one of the following transaction codes: 71 - LWOP 72 - AWOL 73 - Suspension OR Processes a NOA code for LWOP		As needed
	Processes payroll Thursday and Friday of week 1 of the following pay period.	3-10 business days (Depending upon payroll cycle)



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
	Retrieves the payroll file on the first business day of the week following payroll processing. A receivable record is created; however, a bill will not be generated until the NOA code indicates that the employee is in pay status or has been separated.	1 business day
Processes T&A placing the employee in pay status or NOA code to separate the employee. Late processing of an NOA delays the billing process.		1-16 business days (Depending upon payroll cycle.)
	Produces Form NFC-937 after PAYE processes with updated information. Form NFC-937 is printed on the 1st, 8th, 16th, and 24th of the month. <u>Note: Form NFC-937TR is generated for Treasury Department employees.</u>	1-16 business days (Depending upon payroll cycle and billing cycle.)
	Mails Form NFC-937 and the debtor package to the employee and a copy of the package to the Agency. <u>Note: Form NFC-937TR is generated for Treasury Department employees.</u>	1 business day

Processing of Manual Bill, Form NFC-631, Demand Notice for Payment and Form NFC-631pg2, Repayment Agreement

At the request of the Agency, a manual debt is established.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
<p>Submits a request through the Special Payroll Processing System (SPPS) to establish a debt and processes a NOA code to terminate employee.</p> <p>OR</p> <p>Requests a debt to be established by submitting Form AD-343, Payroll Action Request to NFC.</p> <p>OR</p> <p>Sends a request to NCC to establish a debt into Remedy via the Internet using the Requester Console.</p> <p>Late processing of an NOA code may require an adjustment by NFC. In addition, processing a late NOA delays the billing process.</p>		As needed
	Processes the request to generate a debt. After PAYE processes and updates the NOA, SPPS generates the 9E0675 schedules.	7 business days
	Produces Form NFC-631 and the debtor package to mail on the 1st, 8th, 16th, and 24th of the month.	16 business days (Depending on payroll cycle and billing cycle.)
	Mails Form NFC-631 and Form NFC-631pg2 and the debtor package to the debtor and the Agency.	1 business day



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
<p>Approves and signs repayment agreement or hardship request submitted by the debtor. Informs NFC of the terms of the agreement using one of the following methods:</p> <ul style="list-style-type: none"> • Requester Console • Email to <i>NFCcontactcenter@nfc.usda.gov</i> • Mail to USDA/OCFO/NFC/ GESD/GICD/DMSB P.O. Box 61765 New Orleans, LA 70161 		2-3 business days
	<p>Receives terms of the agreement and updates the accounts receivable record in ABCO. Processes collections from the debtor and posts to the accounts receivable record.</p>	50 business days

Processing ADJP Waivers and Cancellations - On-the-Roll-Employees

With the proper authorization from the Agency, an erroneous debt can be cancelled or adjusted and a valid debt can be waived.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
<p>Notifies NFC that a waiver has been applied for.</p> <p>Completes Form AD-3041, ADJP Waiver/Cancellation Request for waivers approved or cancellations requested. Submits the form to NFC using one of the following methods:</p> <ul style="list-style-type: none"> • Requester Console • Email to <i>NFCcontactcenter@nfc.usda.gov</i> 		20 business days



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
<ul style="list-style-type: none"> Mail to USDA/OCFO/NFC/ GESD/GICD/DMSB P.O. Box 61765 New Orleans, LA 70161 		
	Codes debt WA for waiver applied for upon receipt of the waiver request. This code places the debt on hold for five pay periods.	1 business day
Approves or denies waiver.		50 business days
	Codes the debt with a CA for cancellations or WP for waiver when approved by the Agency. Also changes the method of pay (MOP) to a code 1 , interest and penalty indicators to a code N . This action prevents any further deductions from occurring.	7 business days
	Reviews and performs all necessary research to determine if the debt is valid or erroneous (never should have occurred). Valid debt: Processes adjustments, if required. Removes the CA or WP code to resume collection of adjusted debt. Erroneous debt: Processes the request to cancel the debt via SPPS and submits the documentation to the Payroll Processing Branch (PaPB) for processing. Requests Agency to submit a corrected T&A document.	12 business days
Submits a corrected T&A to correct the database. This action normally pays the employee again, which causes an increase in the debt owed.		10 business days



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
	Removes the CA or WP code and changes the MOP back to a code 5 , and changes interest and penalty indicators back to Y to resume collections, if the debt is valid.	1 business day
	Processes the waiver request in SPPS, if the debt is waived by the Agency.	40 business days (Depending on the payroll and billing cycle.)
<p>Note:</p> <p>1) If PaPB receives the information to cancel or waive a debt during the week of T&A processing, the request may be held until the following week.</p> <p>2) ABCO receives updates from the payroll file once a pay period on the Monday night after PPS processes. These updates will adjust, cancel, or waive the indebtedness.</p> <p>3) Normal waiver or cancellation processing time can take from 4 to 8 weeks for completion.</p>		

Processing ADJP Waivers and Cancellations - Separated Employees

With the proper authorization from the Agency, an erroneous debt can be cancelled or adjusted and a valid debt can be waived.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
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Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
<p>Notify NFC that the Form AD-3041, ADJP Waiver/Cancellation Request for waivers approved or cancellations has been approved for a separated employee. Submits the form to NFC using one of the following methods:</p> <ul style="list-style-type: none"> • Requester Console • Email to <i>NFCcontactcenter@nfc.usda.gov</i> • Mail to USDA/OCFO/NFC/ GESD/GICD/DMSB P.O. Box 61765 New Orleans, LA 70161 		3 business days
	<p>Codes the debt CA for cancellation or WP for waiver approved.</p> <p>Changes interest and penalty indicators to the code N.</p> <p>Processes the cancellation or waiver and refunds any monies collected.</p> <p>Erroneous debt: Submits entry via SPPS to reverse the 9E0675 or 9C2222 tax credits.</p>	4 business days

Processing of Delinquent Debt for a Deceased Employee

Delinquent Adjustment Processing debt for a deceased employee.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
<p>Processes a NOA code to separate the deceased employee. Late processing of an NOA code may require an adjustment by NFC. In addition, processing a late NOA delays the billing process.</p>		15 business days



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
	<p>After PAYE processes and updates the NOA, a debt is produced through ABCO. Researches and verifies the Retirement Coverage code.</p>	<p>25 total business days (14 days for receivable to be created.) (11 days to research and adjust the debt.)</p>
	<p>Contacts Agency for authorization to pursue collection of debt or to waive debt for deceased employee.</p>	<p>5 business days</p>
<p>Authorizes or denies debt waiver for deceased employee and notifies NFC of their decision. An untimely decision could lead to assessment of erroneous finance charges requiring adjustment by NFC. This also can delay the collection process and cause the debt to be excessively delinquent.</p>		<p>20 business days</p>
	<p>If authorized, updates the account with a Hold (HO) code and forwards debtor package to the waiver and cancellation group.</p>	<p>5 business days</p>
	<p>If waiver is denied, mails copy of the debtor package to the deceased's address.</p>	<p>5 business days</p>
	<p>If debt is not paid after due process, sends the debt record to TOP. (See workflow titled: Transfer of Delinquent Debt to Treasury Offset Program (TOP) and Treasury Cross Servicing (Cross-Servicing), for more information.)</p>	<p>(30 calendar days for the employee's estate to pay the debt.) (30 additional calendar days grace period is given after the missing payment step is processed.)</p>



Transfer of Delinquent Debt to Treasury Offset Program (TOP) and Treasury Cross Servicing (Cross-Servicing)

Delinquent debts are transferred to Treasury Offset Program (TOP) and Treasury Cross Servicing (Cross-Servicing).

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
	Processes the Delinquency job after the bills are established. This process occurs four times per month.	1 business day
	Generates the system list of delinquent debts. Updates debt to a delinquency status after a thorough review for validity is completed. Submits batch document.	3 business days
	Processes the delinquency job four times a month, establishes the codes, and creates the claim records. Processes the TOP update job four times per month, creates the TOP and Cross-Servicing records.	7 business days
	Transfers debt to TOP and Cross-Servicing, codes debt for submission to credit bureau(s). Note: Actively employed (on-the-roll) debtors can have 15% of disposable pay garnished at the same time.	4 business days

Write-off of Delinquent Debt

To comply with OMB's Circular No. A-129, Policies for Federal Credit Programs and Non-Tax Receivables, the Agency must classify the debt as currently not collectible or close out the debt and terminate collection activity. NFC reports close out debts over \$600 to the Internal Revenue Service (IRS) as taxable income.



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
	Makes available monthly reports upon request for Agencies to review delinquent debt for possible write-off.	10 business days
Notifies the Debt Management Services Branch of any delinquent debts to be written off on a monthly basis.		5-7 business days
	Validates accounting and makes necessary adjustments to write-off the delinquent debt as requested by the Agency.	5-10 business days

Pre-Tax Refund by Payroll

FEHB debt is collected. Agency requests a refund.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
Requests a refund of FEHB premiums that were collected through salary deductions.		As needed
	Researches debt for pre-tax issues.	2 business days
	Processes the debt and forwards to the PaPB, requesting a pre-tax FEHB refund. An entry is also submitted through SPPS.	5 business days
	Processes electronic funds transfer pre-tax refund to employee.	5 business days

Refund by Paper Check

Agency is requesting a paper check refund of a collection.



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
Requests a refund.		As needed
	Processes the refund request.	5 business days
	Reports to the Department of the Treasury to issue the refund and mail it to the employee.	10 business days

Refund by Electronic Funds Transfer

Adjustment Processing debt is collected. Agency is requesting a refund by direct deposit.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
Requests a refund on debt collection.		As needed
	Researches, processes paperwork, and submits refund request to the Payment Certification and Recertification Reconciliation Branch (PCRRB).	2 business days
	Processes refund in PCRRB and sends funds to the bank daily. If the request is received by 10 a.m. central time, the refund will be deposited in the employee's account by the next business day.	2 business days

Override

Debt has been deemed delinquent. Agency is requesting that the override indicator be modified to remove the debt from delinquent status.

Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
Requests that an override be placed on a specific debt. This must be requested from an		As needed



Agency Responsibilities	NFC Responsibilities	Estimated Timeframes
authorized Agency representative whose name is listed on TMGT, Table 063, Department/Agency/Bureau Contact Types, Contact Type 15, ABCO Waivers Approved Contacts by personnel office identifier (POI).		
	Updates the debt to mark the override indicator with a Y (yes).	2 business days

Payroll/Personnel Processing Cycle Chart

The Payroll/Personnel Processing Cycle is illustrated below. This particular sample diagram illustrates the daily processing of the payroll/personnel transactions which revolves around a 2-week cycle. Listed below are the symbols and descriptions to the Payroll/Personnel Processing Cycle.

Note: The official payday is the second Thursday of the following pay period.

Symbol	Description
 PINE	<p>Payroll/Personnel transactions are processed through the Personnel Input and Edit System (PINE) every Monday through Friday of each pay period. The first pass of PINE for the current pay period processes on the second Monday of the pay period.</p> <hr/> <p>Note: These transactions must be entered before the first pass of the Payroll Computation System (PAYE) which is the first Thursday or Friday of the following pay period.</p>
 TIME	<p>Time and Attendance (T&A) Reports are processed through the Time and Attendance Validation System (TIME) on the first Sunday through the first Friday of the following pay period.</p> <hr/> <p>Note: All T&As should be transmitted to the National Finance Center (NFC) no later than the Tuesday following the last day of the pay period.</p>
 PAYE	PAYE is processed on the first Thursday and Friday.



Symbol	Description
BEAR	Bi-Weekly Examination Analysis and Reporting System (BEAR) processes on the second Sunday of the pay period.
DD/EFT	Direct Deposit/Electronic Funds Transfer (DD/EFT) settlement date is the second Monday of the following pay period.
Paper Check	Paper Check date is the second Monday of the following pay period.

PAYROLL/PERSONNEL PROCESSING CYCLE

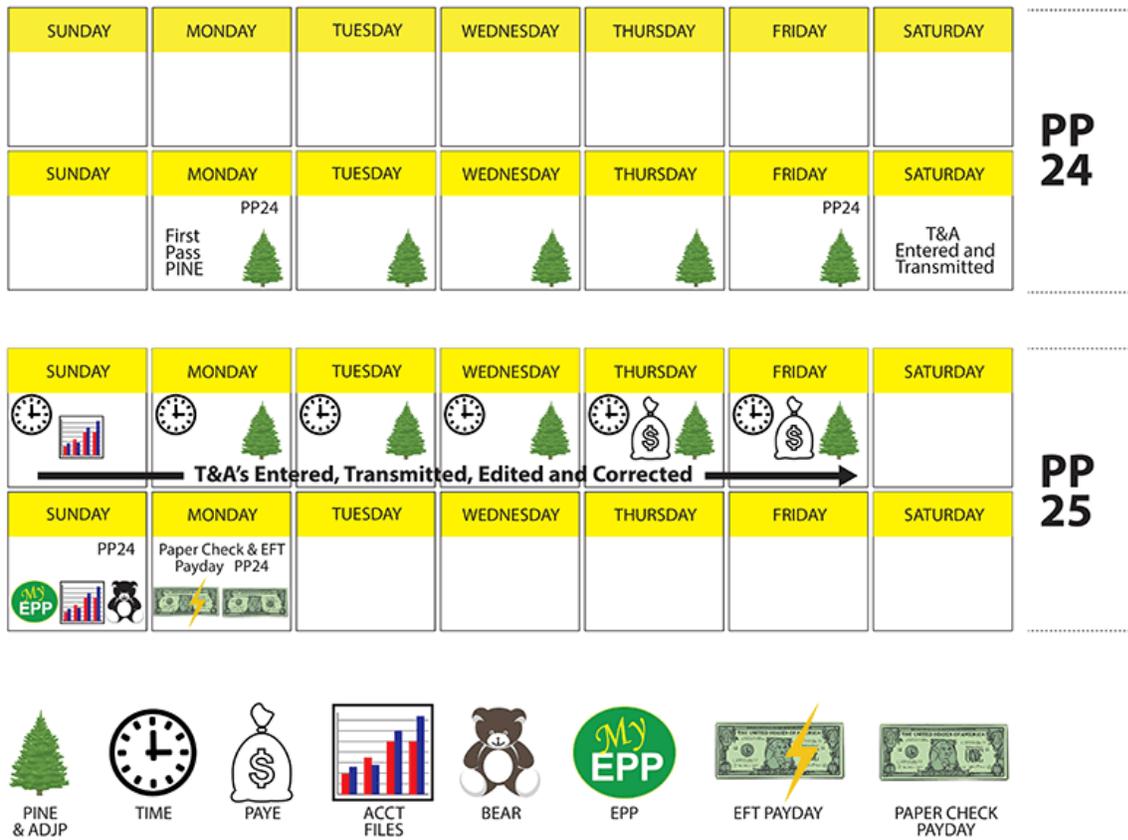


Figure 2: Payroll/Personnel Processing Cycle



Exhibits

This section includes the following topics:

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Exhibit 3: Form NFC-631, Demand Notice for Payment and Debtor Package (Form NFC-631pg2, Form NFC-631pg3, Form NFC-631pg4, Form NFC-631pg5, and Form NFC-631pg6).....	45
Exhibit 4: Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment and Debtor Package (Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101)	51
Exhibit 5: Form NFC-1100TR, Notice of Overpayment of Salary and Demand for Payment and Debtor Package (Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101TR)	56
Exhibit 6: Form NFC-937, Notice of Intent to Recover Past-Due Health Benefits From Salary and Debtor Package (Form NFC-937pg2, Form NFC-937pg3ALL, and Form NFC-937pg4ALL).....	61
Exhibit 7: Form NFC 937TR, Notice of Intent to Recover Past-Due Health Benefits from Salary and Debtor Package (Form NFC-937pg2TR, Form NFC-937pg3ALL, and Form NFC-937pg4ALL).....	65
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Exhibit 1: Form NFC-MPay, Notice of Missed Payment

NOTICE OF MISSED PAYMENT

National Finance Center
P.O. Box 60000
New Orleans, Louisiana 70160-0001

Reference: Bill Number _____

Dear _____

We did not receive your scheduled payment of _____.
The current balance of this bill is _____.

To avoid delinquency, you must submit the missed scheduled payment, and the current payment that are due by _____. If the scheduled payment is greater than the current balance of this bill, just submit payment for the current balance. **NOTE: This is your only opportunity to avoid delinquency.**

Failure to timely remit payment will result in your debt becoming delinquent. Once delinquent, your agency will begin to offset 15% of your disposable pay per pay period through enforced salary offset until the debt is paid-in-full or otherwise resolved.

It is the policy of this agency to refer delinquent administrative non-tax debts that are over 60 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts.

Note: Your agency may elect to immediately refer delinquent debts to the BFS to expedite the collection process. Once delinquent debts are referred to BFS for enforced salary offset, it will remain delinquent until it is paid-in-full.

Your payment options are:

Mailing a payment:
Make your check or money order payable to your agency; please send your check or money order to:
USDA/National Finance Center, Administrative Collections, PO Box 790342, St. Louis, MO 63179
Include on your payment check or money order the last four digits of your Social Security Number and Bill Number.

Electronic payment:
To make an electronic payment, log on to Pay.gov at <https://pay.gov>
Under Find Public Forms, enter NFC in Search Public Forms and select Go. Next select USDA National Finance Center, Debt Collection Form.

In accordance with 31 USC Part 3717 and 31 CFR Part 901.9, _____ % interest, a penalty of 6% per year and administrative costs may be assessed on any part of the debt not paid by _____. If a salary overpayment debt is not paid-in-full by December 31 of the year in which it was established, the outstanding balance which was previously removed from your taxable income will be returned to the gross taxable income and reflected on your W-2.

If you have any questions, please contact your Agency's Servicing Human Resources Department.

If you have any questions and have separated from service, please contact your former Agency's Servicing Human Resources Department.

FORM NFC-MPAY 036/146

Figure 3: Form NFC-MPay, Notice of Missed Payment (Scheduled Payment)



NOTICE OF MISSED PAYMENT
National Finance Center
P.O. Box 60000
New Orleans, Louisiana 70160-0001

Reference: Bill Number

Dear

We did not receive your scheduled payment equivalent to 15% of your disposable pay.
The current balance of this bill is

To avoid delinquency, you must submit the missed scheduled payment, and the current payment that are due by . If the scheduled payment is greater than the current balance of this bill, just submit payment for the current balance. **NOTE: This is your only opportunity to avoid delinquency.**

Failure to timely remit payment will result in your debt becoming delinquent. Once delinquent, your agency will begin to offset 15% of your disposable pay per pay period through enforced salary offset until the debt is paid-in-full or otherwise resolved.

It is the policy of this agency to refer delinquent administrative non-tax debts that are over 60 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts.

Note: Your agency may elect to immediately refer delinquent debts to the BFS to expedite the collection process. Once delinquent debts are referred to BFS for enforced salary offset, it will remain delinquent until it is paid-in-full.

Your payment options are:

Mailing a payment:
Make your check or money order payable to your agency; please send your check or money order to:
USDA/National Finance Center, Administrative Collections, PO Box 790342, St. Louis, MO 63179
Include on your payment check or money order the last four digits of your Social Security Number and Bill Number.

Electronic payment:
To make an electronic payment, log on to Pay.gov at <https://pay.gov>
Under Find Public Forms, enter NFC in Search Public Forms and select Go. Next select USDA National Finance Center, Debt Collection Form.

In accordance with 31 USC Part 3717 and 31 CFR Part 901.9, % interest, a penalty of 6% per year and administrative costs may be assessed on any part of the debt not paid by . If a salary overpayment debt is not paid-in-full by December 31 of the year in which it was established, the outstanding balance which was previously removed from your taxable income will be returned to the gross taxable income and reflected on your W-2.

If you have any questions, please contact your Agency's Servicing Human Resources Department.

If you have any questions and have separated from service, please contact your former Agency's Servicing Human Resources Department.

FORM NFC-MPAY (06/14)

Figure 4: Form NFC-MPAY, Notice of Missed Payment (Percentage Payment)



Exhibit 2: Form NFC-PPay, Notice of Partial Payment

NOTICE OF PARTIAL PAYMENT
National Finance Center
P.O. Box 80000
New Orleans, Louisiana 70160-0001

Reference: Bill Number

Dear

We received a payment in the amount of _____ instead of your scheduled payment amount of _____.

To avoid delinquency, you must submit the remaining balance of the scheduled payment, and the current payment that are due by _____. If the scheduled payment is greater than the current balance of this bill, just submit payment for the current balance. **NOTE: This is your only opportunity to avoid delinquency.**

Failure to timely remit payment will result in your debt becoming delinquent. Once delinquent, your agency will begin to offset 15% of your disposable pay per pay period through enforced salary offset until the debt is paid-in-full or otherwise resolved.

It is the policy of this agency to refer delinquent administrative non-tax debts that are over 60 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts.

Note: Your agency may elect to immediately refer delinquent debts to the BFS to expedite the collection process. Once delinquent debts are referred to BFS for enforced salary offset, it will remain delinquent until it is paid-in-full.

Your payment options are:

Mailing a payment:
Make your check or money order payable to your agency; please send your check or money order to:
USDA/National Finance Center, Administrative Collections, PO Box 790342, St. Louis, MO 63179
Include on your payment check or money order the last four digits of your Social Security Number and Bill Number.

Electronic payment:
To make an electronic payment, log on to Pay.gov at <https://pay.gov>
Under Find Public Forms, enter NFC in Search Public Forms and select Go. Next select USDA National Finance Center, Debt Collection Form.

In accordance with 31 USC Part 3717 and 31 CFR Part 901.9, _____ % interest, a penalty of 6% per year and administrative costs may be assessed on any part of the debt not paid by _____. If a salary overpayment debt is not paid-in-full by December 31 of the year in which it was established, the outstanding balance which was previously removed from your taxable income will be returned to the gross taxable income and reflected on your W-2.

If you have any questions, please contact your Agency's Servicing Human Resources Department.

If you have any questions and have separated from service, please contact your former Agency's Servicing Human Resources Department.

FORM NFC-PPAY (06/14)

Figure 5: Form NFC-PPAY, Notice of Partial Payment



Exhibit 3: Form NFC-631, Demand Notice for Payment and Debtor Package (Form NFC-631pg2, Form NFC-631pg3, Form NFC-631pg4, Form NFC-631pg5, and Form NFC-631pg6)

DEMAND NOTICE FOR PAYMENT

DEBTOR NUMBER	BILL NUMBER	SDN	BILLING DATE	For additional information, please call:

SEE REVERSE FOR IMPORTANT INFORMATION.
 To protect the interest of the Government on amounts overdue, the Department of Treasury requires a late payment charge on all delinquent debts. Remittance for the Total Amount Due must be received on or before the Due Date. The interest rate to be applied to the past-due principal is determined quarterly by the Department of Treasury.

Please include your debtor and bill numbers on your remittance payable to the

and mail to:

PRIOR BALANCE	PAYMENTS RECEIVED	CREDIT ADJUSTMENT	AMOUNT PAST DUE	DEBIT ADJUSTMENT	CURRENT CHARGES

Late payment charge is % (per annum).

Total amount due must be received no later than:

	DUE DATE	TOTAL AMOUNT DUE

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

DEBTOR NUMBER	BILL NUMBER	SDN	DUE DATE	AMOUNT DUE	AMOUNT REMITTED
					\$

Mail To:

FORM NFC-631 (Revised 8/14)

Figure 6: Form NFC-631, Demand Notice For Payment



REPAYMENT AGREEMENT

I understand that I owe the amount indicated on page 1 of this notice to the U. S. Government and that I must repay the debt in full or enter into an acceptable repayment agreement that will satisfy the debt within three years.

Additionally, I understand that if I decide to repay the amount owed by any method other than in a lump sum payment, interest will be charged on the unpaid balance until the debt is paid in full. I also understand that I may pay the balance due at any time and if my payments are not made timely within 60 days of the notice.

- The debt will be reported to the Bureau of the Fiscal Service (BFS)
• The debt will be reported to credit bureau
• Additional administrative and penalty charges will be assessed.

I choose the following repayment plan (Check one):

1. My lump sum payment in the amount of \$ _____ is enclosed. If you select this option sign the repayment below and include with your payment (include on your payment check or money order, your Social Security Number and bill number) Make your check or money order payable to:

USDA, National Finance Center, Administrative Collections
P.O. Box 790342, St. Louis, MO 63179-0342

IF YOU SELECT OPTIONS 2 THROUGH 5, SIGN AND RETURN THE AGREEMENT TO YOUR FORMER AGENCY'S HUMAN RESOURCE MANAGEMENT OFFICE. THE AGENCY APPROVING OFFICIAL WILL APPROVE, SIGN AND INFORM THE NATIONAL FINANCE CENTER OF THE TERMS OF YOUR AGREEMENT.

2. I have filed for bankruptcy and the automatic stay of bankruptcy is still in effect (attach copies of supporting documents).

3. The following amount of the debt is not past due or legally enforceable \$ _____. Reason: (Attach copies of supporting documents).

4. I will make equal monthly installment payments of \$ _____ until the debt is paid in full (not less than \$100), which will satisfy the debt within three years. If you select this option return the signed agreement to your former Agency's Human Resources Management Office. The Agency approving official will approve, sign and inform the National Finance Center of the terms of your agreement.

5. I am experiencing a financial hardship at this time and agree to pay \$ _____ (not less than \$100). State reason for hardship and submit to your former agency for approval. Signature of agency approving official is required below.

ONCE YOUR AGREEMENT IS APPROVED, PROMPTLY SUBMIT YOUR PAYMENT TO:

USDA, National Finance Center, Administrative Billings
P.O. Box 790342, St. Louis, MO 63179-0342

PLEASE SUBMIT THE ORIGINAL FORM AND KEEP A COPY OF BOTH SIDES FOR YOUR RECORDS

PRINT EMPLOYEE'S NAME PHONE

EMPLOYEE'S SIGNATURE DATE

APPROVING OFFICIALS AGREEMENT (REQUIRED FOR OPTIONS 4 and 5 ONLY)

I agree that the former employee may repay the amounts as prescribed in Option 4 or 5 above.

AGENCY REPRESENTATIVE'S SIGNATURE DATE

PRINT REPRESENTATIVE'S SIGNATURE DATE

Figure 7: Form NFC-631pg2, Repayment Agreement



BILL FOR COLLECTION (continued)

DEBTOR NUMBER	BILL NUMBER	SON	BILLING DATE

FORM NFC-631pg3 (Revised 08/10)

Figure 8: Form NFC-631pg3, Bill For Collection (continued)



The Debt Collection Improvement Act of 1996 requires all Federal agencies to refer delinquent administrative non-tax debts over 120 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts. The BFS may enforce collection of delinquent debts by reporting information to credit bureaus; referring debts to collection agencies; initiating wage garnishment proceedings and/or salary offset; initiating tax refund offsets; and/or offset of other federal payments such as awards and travel reimbursement and advances, as allowed by law.

NOTICE TO CUSTOMERS MAKING PAYMENT BY CHECK

Authorization to Convert Your Check: If you send us a check to make your payment, your check will be converted into an electronic fund transfer. Electronic fund transfer is the term used to refer to the process in which we electronically instruct your financial institution to transfer funds from your account to our account, rather than processing your check. By sending your completed, signed check to us, you authorize us to copy your check and to use the account information from your check to make an electronic fund transfer from your account for the same amount as the check. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your check.

Insufficient Funds: The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, make sure there are sufficient funds available in your checking account when you send us your check. If the electronic fund transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two times (and we will charge you a one-time fee of \$20.00, which we will also collect by electronic fund transfer).

Transaction Information: The electronic fund transfer from your account will be on the account statement you receive from your financial institution. However, the transfer may be in a different place on your statement than the place where your checks normally appear. For example, it may appear under other withdrawals or other transactions. You will not receive your original check back from your financial institution. For security reasons, we will destroy your original check, but we will keep a copy of the check for record keeping purposes.

Your Rights: You should contact your financial institution immediately if you believe that the electronic fund transfer reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protections under a Federal Law called the Electronic Fund Transfer Act for an unauthorized or incorrect electronic fund transfer.

ELECTRONIC PAYMENTS THROUGH PAY.GOV

To make an electronic payment, log on to Pay.gov at: <https://pay.gov>
Under Find Public Forms, enter NFC in Search Public Forms
Select Go
Select USDA National Finance Center, Debt Collection Form – either of, IRS Employees Only, or NON-IRS Employees

CHARGES FOR LATE PAYMENTS

In addition to a late payment charge being assessed on delinquent debts, we may also assess charges to cover the costs of processing and handling delinquent claims and assess a penalty charge, not to exceed 6% per annum, for failure to pay any portion of a debt more than ninety days past due.

IN CASE OF PROBLEMS, ERRORS OR QUESTIONS ABOUT YOUR BILL

If you think there is a problem or error with your bill, contact your former agency in writing or by telephone, as soon as possible, but no later than 30 days from the date of this bill on which the error or problem appeared.

Your inquiry should include the following information:

- Your name, debtor number and bill number
- The dollar amount
- Description of the problem or error

YOUR RIGHTS AND YOUR FORMER AGENCY'S RESPONSIBILITIES AFTER RECEIVING YOUR WRITTEN NOTICE

Your inquiry should be acknowledged by your former agency within 15 days of receipt. Within 30 days of receipt of your inquiry, the error must either be corrected or an explanation must be provided as to why the bill is correct.

You do not have to pay any questioned amount while the inquiry is being investigated, but you are obligated to pay those parts of your bill that are not in question.

If it is determined that your bill contains an error, you will not be responsible for paying any late charges associated with the amount in question. However, if determined that no error exists, you may be responsible for any late charges associated with the bill.

FORM NFC-631pg4 (09/15)

Figure 9: Form NFC-631pg4, Employee Rights Notice



This debt becomes delinquent 30 days from the original bill date or within 30 days of the date of this notice, if you do not submit payment or enter into an acceptable repayment agreement (you must sign and return the repayment agreement). Should your debt become delinquent, it is the policy of this office to:

- Report this debt to the Department of Treasury (Treasury) for referral to the Bureau of the Fiscal Service (BFS) for additional collection action. Also, an administrative wage garnishment order may be initiated to collect this debt. Interest, penalty and administrative charges will continue to accrue on the unpaid debt, pursuant to 31 U.S.C. sec 3717. If the debt is referred for offset, you will be assessed an additional administrative charge.
- Refer delinquent debts to consumer credit reporting agencies. You may request a review of the status of your account, including any information that is reported to a credit bureau.
- The Debt Collection Improvement Act of 1996 (DCIA) 31 U.S.C. 3720D authorizes Federal agencies to garnish wages of an individual to collect non-tax delinquent debts owed to the U.S. Government. Wage garnishment is a process whereby an employer withholds amounts from an employee's disposable pay and pays those amounts to the employee's creditor in satisfaction of a withholding order.

If your debt is referred to Treasury for additional collection action, the following actions may be taken to enforce collection of this debt:

- Referral of the debt to a private collection agency;
- Referral of the debt to the U.S. Department of Justice or agency counsel for litigation;
- Reporting of the debt, if discharged, to the Internal Revenue Service as potential income.

Once your debt is submitted to TOP, Treasury will reduce or withhold any of your eligible Federal and State payments by the amount of your debt this process, known as offset, is authorized by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. U.S. Treasury is not required to send you notice before your payment is offset. Payments eligible for offset include:

- Income tax refunds;
- Federal salary, Pay, including military pay;
- Federal retirement, including military retirement pay;
- Contractor/vendor payments;
- Certain Federal Benefit payments, such as Social Security (other than Supplemental Security (SSI)), Railroad Retirement (other than Tier 2), Black Lung (Part B) benefits;
- Other Federal payments, including certain loans to you, which are not exempt from offset; and
- State payments.

Also, an additional administrative charge of at least 28 percent will be added to the subject amount by Treasury if your debt is referred to them for additional collection action.

Before we submit your debt to BFS, we are required to tell you that you 60 days to (1) inspect and copy our records related to your debt; (2) request an agency review of the determination that you owe this debt; and (3) enter into an acceptable written repayment agreement which is included within this package.

IF YOU FILE A JOINT INCOME TAX RETURN

If you file a joint income tax return, you should contact the Internal Revenue Service before filing your return regarding the steps to take to protect the share of the refund which may be payable to your spouse, who is not a delinquent debtor to the U.S. Government.

FORM NFC-631pg5 Revised 08/13

Figure 10: Form NFC-631pg5, Employee Rights Notice

**TO AVOID REFERRAL TO THE DEPARTMENT OF TREASURY**

You must repay the debt in full within 30 days of this notice or make timely payments equal to the installment amount agreed upon. To repay your debt send a check or money order for the full amount of the debt to:

USDA/NFC
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

ELECTRONIC PAYMENTS THROUGH PAY.GOV

To make an electronic payment, log on to Pay.gov at: <https://pay.gov>

Under Find Public Forms, enter NFC in Search Public Forms

Select Go

Select USDA National Finance Center, Debt Collection Form either of, IRS Employees Only, or NON-IRS Employees

ADDITIONAL INFORMATION

If you are unable to pay your debt in full, you must contact your former Agency's servicing Human Resources Management Office and agree to a repayment plan that is acceptable. Payments must be made as required in the repayment plan. Please complete the enclosed Repayment Agreement and return it with your payment.

If you have filed for bankruptcy and the automatic stay is in effect you are not subject to offset while the automatic stay is in effect. Please notify us of the bankruptcy by sending evidence concerning the bankruptcy to the above address.

If you do not agree that you owe the amount shown, please provide your former agency with any evidence to substantiate your claim.

If you make or provide any knowingly false or frivolous statements, representations, or evidence you may be subjected to disciplinary procedures appropriate under 5 U.S.C. Chapter 75, 5CFR, Part 752, or any other statutes or regulations; or penalties under the False Claims Act 31 U.S.C., 3729-3733, or any other applicable statutory authority; or criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002 or any other statutory authority.

Unless prohibited by law or contract, we will promptly refund to you any amounts paid by you or deducted from your payment for your debt which are later waived or found not owed to the United States.

If you have any questions regarding this letter please contact your former Agency's servicing Human Resources Management Office.

FORM NFC-631pg6 10/1/16

Figure 11: form NFC-631pg6, To Avoid Referral To The Department Of Treasury



Exhibit 4: Form NFC-1100, Notice of Overpayment of Salary and Demand for Payment and Debtor Package (Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101)

NOTICE OF OVERPAYMENT OF SALARY AND DEMAND FOR PAYMENT

<p>EMPLOYEE NAME: BILL DATE: DEBTOR NUMBER: BILL NUMBER:</p>	<p>ACY - SON ORG: AMOUNT OWED: ESTIMATED DEDUCTION AMOUNT: PP TO BEGIN DEDUCTIONS: ANNUAL INTEREST RATE:</p>
--	--

Dear

According to our records, you have been overpaid a total of This overpayment occurred due to processed in pay period This notice has been generated and we intend to deduct approximately from your bi-weekly pay starting in pay period This estimate is based upon your salary for the last pay period. These deductions will continue every pay period until the debt, accumulated interest and other costs are paid-in-full. This deduction may be up to 15 percent of your disposable pay, in accordance with the Debt Collection Improvement Act of 1996.

If you agree that this debt is valid and you wish to have it paid in the manner stated above, no further action is necessary. If you agree that this debt is valid, but prefer to repay in one lump sum, please send your check or money order in the total amount of the bill within 30 days of this letter, payable to your agency, along with your signed Repayment Agreement to:

**USDA/National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342**

If you would like to discuss other options for repayment, have any questions, or wish to exercise your rights as listed below, within 30 days from the date of this letter, please contact:

Agency Contact >

As an employee, you have the following rights:

- To inspect and copy the records relating to the debt.
- To enter into a written agreement for a repayment schedule different from that proposed so long as your terms of repayment are agreeable with your agency.
- To request a hearing pursuant to 5 CFR 550.1104, 31 CFR Parts 900 - 903, the Debt Collection Improvement Act of 1996 as amended, and existing agency regulations. The hearing will consider the existence of the debt, the amount of the debt, and/or percentage of disposable pay to be deducted each pay period. The timely filing of a petition for a hearing will suspend collection proceedings.
- To a final decision on the hearing at the earliest practical date, but not later than 60 calendar days after you file your hearing petition.
- To request a waiver of salary overpayment and other applicable allowances under 5 USC 5584, 10 USC 2774, or 32 USC 716. You may also question the amount or validity of a salary overpayment or general debt by submitting a claim to your agency.
- To have any monies paid on or deducted for the debt which are later waived or found not owed to the United States to be promptly refunded to you unless there are applicable contractual or statutory provisions to the contrary.

If you wish to petition for a hearing to dispute the existence or amount of the debt, or the amount of the payroll deduction, you must file a written request for a hearing within 15 calendar days from receipt of this letter. Your request will temporarily suspend collection action. Any knowingly false or frivolous statements, representation, or evidence may subject you to disciplinary procedures under 5 USC Chapter 75, 5 CFR Part 752; penalties under the False Claims Act, 31 USC 3729-3731; or criminal penalties under 18 USC 288, 287, 1001, and 1002.

The Department of Treasury's policy on the assessment and waiver of interest, penalties, and administrative costs can be found in 31 CFR Parts 900 - 904 and 31 USC 3717. These regulations permit the assessment of interest on the outstanding balance if the amount owed is not paid within 30 calendar days from the date of this notice and the assessment of administrative costs on delinquent debts, as well as penalties for each missed payment.

If we do not hear from you within 30 calendar days from the date of this letter, we will begin deductions from your salary as described above.

Administrative Billings and Collections Section

}

Mail to >

}

FORM NFC-1100 (Revised 10/14)

Figure 12: Form NFC-1100, Notice Of Overpayment Of Salary And Demand For Payment



The Debt Collection Improvement Act of 1996 requires all Federal agencies to refer delinquent administrative non-tax debts over 120 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts. The BFS may enforce collection of delinquent debts by reporting information to credit bureaus; referring debts to collection agencies; initiating wage garnishment proceedings and/or salary offset; initiating tax refund offsets; and/or offset of other federal payments such as awards and travel reimbursement and advances, as allowed by law.

Bargaining Unit Employees should refer to their Collective Bargaining Agreement or Master Agreement for specific available rights under their negotiated process.

NOTICE TO CUSTOMERS MAKING PAYMENT BY CHECK

Authorization to Convert Your Check: If you send us a check to make your payment, your check will be converted into an electronic fund transfer. Electronic fund transfer is the term used to refer to the process in which we electronically instruct your financial institution to transfer funds from your account to our account, rather than processing your check. By sending your completed, signed check to us, you authorize us to copy your check and to use the account information from your check to make an electronic fund transfer from your account for the same amount as the check. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your check.

Insufficient Funds: The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, make sure there are sufficient funds available in your checking account when you send us your check. If the electronic fund transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two times (and we will charge you a one-time fee of \$20.00, which we will also collect by electronic fund transfer).

Transaction Information: The electronic fund transfer from your account will be on the account statement you receive from your financial institution. However, the transfer may be in a different place on your statement than the place where your checks normally appear. For example, it may appear under other withdrawals or other transactions. You will not receive your original check back from your financial institution. For security reasons, we will destroy your original check, but we will keep a copy of the check for record keeping purposes.

Your Rights: You should contact your financial institution immediately if you believe that the electronic fund transfer reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protections under a Federal Law called the Electronic Fund Transfer Act for an unauthorized or incorrect electronic fund transfer.

FORM NFC-1100pg2ALL (Revised 08/15)

Figure 13: Form NFC-1100pg2ALL, Employee Rights Notice



This debt becomes delinquent 30 days from the original bill date or within 30 days from the date of this notice, if you do not submit payment or enter into an acceptable repayment agreement (you must sign and return the repayment agreement). **Important: If your pay becomes insufficient to cover the payment due through salary deduction, e.g. you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency. Should your debt become delinquent, it is the policy of this office to:**

- Offset up to 15% of your disposable income from your salary each pay period until paid in full.
- Report this debt to the Department of Treasury (Treasury) for referral to the Bureau of the Fiscal Service (BFS) for additional collection action within 60 days of this notice. Also, an administrative wage garnishment order may be initiated to collect this debt. Interest, penalty and administrative charges will continue to accrue on the unpaid debt, pursuant to 31 U.S.C. sec 3717. If the debt is referred for offset, you will be assessed an additional administrative charge.
- Refer delinquent debts to consumer credit reporting agencies within 60 days of this notice. You may request a review of the status of your account, including any information that is reported to a credit bureau.
- The Debt Collection Improvement Act of 1996 (DCIA) 31 U.S.C. 3720D authorizes Federal agencies to garnish wages of an individual to collect non-tax delinquent debts owed to the U.S. Government. Wage garnishment is a process whereby an employer withholds amounts from an employee's disposable pay and pays those amounts to the employee's creditor in satisfaction of a withholding order.

If your debt is referred to Treasury for additional collection action, the following actions may be taken to enforce collection of this debt:

- Referral of the debt to a private collection agency;
- Referral of the debt to the U.S. Department of Justice or agency counsel for litigation;
- Reporting of the debt, if discharged, to the Internal Revenue Service as potential income.

Once your debt is submitted to TOP, Treasury will reduce or withhold any of your eligible Federal and State payments by the amount of your debt this process; known as offset, is authorized by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. U.S. Treasury is not required to send you notice before your payment is offset. Payments eligible for offset include:

- Income tax refunds;
- Federal salary, Pay, including military pay;
- Federal retirement, including military retirement pay;
- Contractor/vendor payments;
- Certain Federal Benefit payments, such as Social Security (other than Supplemental Security (SSI)), Railroad Retirement (other than Tier 2), Black Lung (Part B) benefits;
- Other Federal payments, including certain loans to you, which are not exempt from offset; and
- State payments.

Also, an additional administrative charge of at least 28 percent will be added to the subject amount by Treasury if your debt is referred to them for additional collection action.

Before we submit your debt to BFS, we are required to tell you that you have 60 days to (1) inspect and copy our records related to your debt; (2) request an agency review of the determination that you owe this debt; and (3) enter into an acceptable written repayment agreement which is included in this package.

IF YOU FILE A JOINT INCOME TAX RETURN

If you file a joint income tax return, you should contact the Internal Revenue Service before filing your return regarding the steps to take to protect the share of the refund which may be payable to your spouse, who is not a delinquent debtor to the U.S. Government.

FORM NFC-1100pg3ALL Revised 02/10

Figure 14: Form NFC-1100pg3ALL, Employee Rights Notice

**TO AVOID REFERRAL TO THE DEPARTMENT OF TREASURY**

You must repay the debt in full within 30 days of this notice or make timely payments equal to the installment amount agreed upon. To repay your debt send a check or money order for the full amount of the debt to:

USDA/NFC
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

ADDITIONAL INFORMATION

If you are unable to pay your debt in full, you must contact your Agency's servicing Human Resources Management Office and agree to a repayment plan that is acceptable. Payments must be made as required in the repayment plan. Please complete the enclosed Repayment Agreement and return it with your payment.

If you have filed for bankruptcy and the automatic stay is in effect you are not subject to offset while the automatic stay is in effect. Please notify us of the bankruptcy by sending evidence concerning the bankruptcy to the above address.

If you do not agree that you owe the amount shown, please provide your agency with any evidence to substantiate your claim.

If you make or provide any knowingly false or frivolous statements, representations, or evidence you may be subjected to disciplinary procedures appropriate under 5 U.S.C. Chapter 75, 5CFR, Part 752, or any other statutes or regulations; or penalties under the False Claims Act 31 U.S.C., 3729-3733, or any other applicable statutory authority; or criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002 or any other statutory authority.

Unless prohibited by law or contract, we will promptly refund to you any amounts paid by you or deducted from your payment for your debt which are later waived or found not owed to the United States.

If you have any questions regarding this letter please contact your Agency's servicing Human Resources Management Office.

FORM NFC-1100pg4ALL (09/15)

Figure 15: Form NFC-1100pg4ALL, To Avoid Referral To The Department Of Treasury



NOTICE OF INTENT TO OFFSET SALARY AND REPAYMENT AGREEMENT

DEBTOR NUMBER: _____ AMOUNT OWED: _____
 BILL NUMBER: _____ ESTIMATED DEDUCTION AMOUNT: _____
 ANNUAL INTEREST RATE: _____ PAY PERIOD TO BEGIN DEDUCTIONS: _____
 EMPLOYEE NAME: _____

I understand that I owe the amount indicated above. 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 above. Deductions will continue until the debt is completely repaid.

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 rate indicated above will be charged on the unpaid balance every month, until the debt is paid in full.

I choose the following repayment plan (Check one):

1. My lump sum payment in the amount of \$_____, is enclosed.

IF YOU HAVE SELECTED OPTION 1, sign and return the agreement to the following address:

USDA/National Finance Center
 Administrative Collections
 P. O. Box 790342
 St. Louis, MO 63179-0342

Include on your payment check or money order, your Social Security Number and bill number. Make your check or money order payable to your agency.

2. NFC may deduct from my salary the TOTAL amount owed in the pay period shown above in "Pay Period To Begin Deductions".

3. NFC may deduct from my salary the TOTAL amount owed one pay period prior to the pay period shown above in "Pay Period To Begin Deductions".

4. 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.

IF YOU HAVE SELECTED OPTIONS 2, 3, OR 4 sign and return the agreement to the following address:

USDA/National Finance Center
 Administrative Billings
 P. O. Box 81765
 New Orleans, LA 70161

5. I am unable to pay 15 percent of my disposable pay because of a financial hardship. You may deduct \$_____ (not less than \$50) each pay period. This repayment amount has been approved by my employing agency. (Signature of agency approving official is required below.)

IF YOU HAVE SELECTED OPTION 5, sign and return the agreement to your Agency's Human Resources Management Office. The Agency approving official will approve, sign and submit the agreement to the National Finance Center Contact Center.

 EMPLOYEE'S SIGNATURE DATE

APPROVING OFFICIAL'S AGREEMENT (REQUIRED FOR OPTION 5 ONLY)

I agree that the employee may repay the amounts as prescribed in Option 5 above.

 AGENCY REPRESENTATIVE'S SIGNATURE DATE

 PRINT AGENCY REPRESENTATIVE'S NAME AND TITLE PHONE

FORM NFC-1101 (REV. 09/15)

Figure 16: Form NFC-1101, Notice Of Intent To Offset Salary And Repayment Agreement



Exhibit 5: Form NFC-1100TR, Notice of Overpayment of Salary and Demand for Payment and Debtor Package (Form NFC-1100pg2ALL, Form NFC-1100pg3ALL, Form NFC-1100pg4ALL, and Form NFC-1101TR)

NOTICE OF OVERPAYMENT OF SALARY AND DEMAND FOR PAYMENT

EMPLOYEE NAME:	AGY - SON:
BILL DATE:	ORG:
DEBTOR NUMBER:	AMOUNT OWED:
BILL NUMBER:	ESTIMATED DEDUCTION AMOUNT:
	PP TO BEGIN DEDUCTIONS:
	ANNUAL INTEREST RATE:

Dear

According to our records, you have been overpaid a total of \$. This overpayment occurred due to processed in pay period .

You are required to submit a payment for the full amount of the debt within 30 days of this letter. This debt becomes delinquent 30 days from the date of this notice. If you do not submit payment for the full amount of the debt, seek review of this determination of your indebtedness, or enter into an acceptable repayment agreement with your Agency. Failure to timely remit payment in full, or enter into an approved repayment agreement, will result in your debt becoming delinquent. Once delinquent, (see enclosed information on delinquency) we will immediately begin to collect 15% of your disposable pay per pay period through enforced salary offset until the debt is paid in full or otherwise resolved.

If you agree that this debt is valid, and will repay in one lump sum, please send your check or money order in the total amount of the bill within 30 days of this letter, payable to your agency, along with your signed Repayment Agreement to:

USDA/National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

If you would like to discuss other options for repayment, have any questions, or wish to exercise your rights as listed below, within 30 days from the date of this letter, please contact:

Agency Contact >

As an employee, you have the following rights:

- To inspect and copy the records relating to the debt.
- To enter into a written agreement for a repayment schedule so long as your terms of repayment are agreeable with your agency.
- To request a hearing pursuant to 5 CFR 550.1104, 31 CFR Parts 900 - 903, the Debt Collection Improvement Act of 1996 as amended, and existing agency regulations. The hearing will consider the existence of the debt, the amount of the debt, and/or percentage of disposable pay to be deducted each pay period. The timely filing of a petition for a hearing will suspend collection proceedings.
- To a final decision on the hearing at the earliest practical date, but not later than 60 calendar days after you file your hearing petition.
- To request a waiver of salary overpayment and other applicable allowances under 5 USC 5584, 10 USC 2774, or 32 USC 716. You may also question the amount or validity of a salary overpayment or general debt by submitting a claim to your agency.
- To have any monies paid on or deducted for the debt which are later waived or found not owed to the United States to be promptly refunded to you unless there are applicable contractual or statutory provisions to the contrary.

If you wish to petition for a hearing to dispute the existence or amount of the debt, or the amount of the payroll deduction, you must file a written request for a hearing within 15 calendar days from receipt of this letter. Your request will temporarily suspend collection action. Any knowingly false or frivolous statements, representation, or evidence may subject you to disciplinary procedures under 5 USC Chapter 75, 5 CFR Part 752; penalties under the False Claims Act, 31 USC 3729-3731; or criminal penalties under 18 USC 286, 287, 1001, and 1002.

The Department of Treasury's policy on the assessment and waiver of interest, penalties, and administrative costs can be found in 31 CFR Parts 900 - 904 and 31 USC 3717. These regulations permit the assessment of interest on the outstanding balance if the amount owed is not paid within 30 calendar days from the date of this notice and the assessment of administrative costs on delinquent debts, as well as penalties for each missed payment.

If your debt is not paid in full by December 31 of the year in which it was established, the outstanding balance, which was previously removed from your taxable income, may be returned to the gross taxable income on your W-2.

Administrative Billings and Collections Section

Mail To >

FORM NFC-1100TR (5/07)

Figure 17: Form NFC-1100TR, Notice Of Overpayment Of Salary And Demand For Payment



The Debt Collection Improvement Act of 1996 requires all Federal agencies to refer delinquent administrative non-tax debts over 120 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts. The BFS may enforce collection of delinquent debts by reporting information to credit bureaus; referring debts to collection agencies; initiating wage garnishment proceedings and/or salary offset; initiating tax refund offsets; and/or offset of other federal payments such as awards and travel reimbursement and advances, as allowed by law.

Bargaining Unit Employees should refer to their Collective Bargaining Agreement or Master Agreement for specific available rights under their negotiated process.

NOTICE TO CUSTOMERS MAKING PAYMENT BY CHECK

Authorization to Convert Your Check: If you send us a check to make your payment, your check will be converted into an electronic fund transfer. Electronic fund transfer is the term used to refer to the process in which we electronically instruct your financial institution to transfer funds from your account to our account, rather than processing your check. By sending your completed, signed check to us, you authorize us to copy your check and to use the account information from your check to make an electronic fund transfer from your account for the same amount as the check. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your check.

Insufficient Funds: The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, make sure there are sufficient funds available in your checking account when you send us your check. If the electronic fund transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two times (and we will charge you a one-time fee of \$20.00, which we will also collect by electronic fund transfer).

Transaction Information: The electronic fund transfer from your account will be on the account statement you receive from your financial institution. However, the transfer may be in a different place on your statement than the place where your checks normally appear. For example, it may appear under other withdrawals or other transactions. You will not receive your original check back from your financial institution. For security reasons, we will destroy your original check, but we will keep a copy of the check for record keeping purposes.

Your Rights: You should contact your financial institution immediately if you believe that the electronic fund transfer reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protections under a Federal Law called the Electronic Fund Transfer Act for an unauthorized or incorrect electronic fund transfer.

FORM NFC-1100pg2ALL (Revised 08/15)

Figure 18: Form NFC-1100pg2ALL, Employee Rights Notice



This debt becomes delinquent 30 days from the original bill date or within 30 days from the date of this notice, if you do not submit payment or enter into an acceptable repayment agreement (you must sign and return the repayment agreement). **Important: If your pay becomes insufficient to cover the payment due through salary deduction, i.e., you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency. Should your debt become delinquent, it is the policy of this office to:**

- Offset up to 15% of your disposable income from your salary each pay period until paid in full.
- Report this debt to the Department of Treasury (Treasury) for referral to the Bureau of the Fiscal Service (BFS) for additional collection action within 60 days of this notice. Also, an administrative wage garnishment order may be initiated to collect this debt. Interest, penalty and administrative charges will continue to accrue on the unpaid debt, pursuant to 31 U.S.C. 3717. If the debt is referred for offset, you will be assessed an additional administrative charge.
- Refer delinquent debts to consumer credit reporting agencies within 60 days of this notice. You may request a review of the status of your account, including any information that is reported to a credit bureau.
- The Debt Collection Improvement Act of 1996 (DCIA) 31 U.S.C. 3720D authorizes Federal agencies to garnish wages of an individual to collect non-tax delinquent debts owed to the U.S. Government. Wage garnishment is a process whereby an employer withholds amounts from an employee's disposable pay and pays those amounts to the employee's creditor in satisfaction of a withholding order.

If your debt is referred to Treasury for additional collection action, the following actions may be taken to enforce collection of this debt:

- Referral of the debt to a private collection agency;
- Referral of the debt to the U.S. Department of Justice or agency counsel for litigation;
- Reporting of the debt, if discharged, to the Internal Revenue Service as potential income.

Once your debt is submitted to TOP, Treasury will reduce or withhold any of your eligible Federal and State payments by the amount of your debt this process, known as **offset**, is authorized by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. U.S. Treasury is not required to send you a notice before your payment is offset. Payments eligible for offset include:

- Income tax refunds.
- Federal salary
- Pay, including military pay
- Federal retirement, including military retirement pay
- Contractor/vendor payments
- Certain Federal Benefit payments, such as Social Security (other than Supplemental Security (SSI)), Railroad Retirement (other than Tier 2), Black Lung (Part B) benefits
- Other Federal payments, including certain loans to you, which are not exempt from offset; and
- State payments

Also, an additional administrative charge of at least 28 percent will be added to the subject amount by Treasury if your debt is referred to them for additional collection action.

Before we submit your debt to TOP and BFS, we are required to tell you that you have 60 days to (1) inspect and copy our records related to your debt; (2) request an agency review of the determination that you owe this debt; and (3) enter into an acceptable written repayment agreement which is included within this package.

IF YOU FILE A JOINT INCOME TAX RETURN:

If you file a joint income tax return, you should contact the Internal Revenue Service before filing your return regarding the steps to take to protect the share of the refund which may be payable to your spouse, who is not a delinquent debtor to the U.S. Government.

Unless prohibited by law or contract, we will promptly refund to you any amounts paid by you or deducted from your payment for your debt which are later waived or found not owed to the United States.

FORM NFC-1100pg3ALL (06/14)

Figure 19: Form NFC-1100pg3ALL, Employee Rights Notices



TO AVOID REFERRAL TO THE DEPARTMENT OF TREASURY

You must repay the debt in full within 30 days of this notice or make timely payments equal to the installment amount agreed upon. To repay your debt send a check or money order for the full amount of the debt to:

USDA/NFC
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

ADDITIONAL INFORMATION

If you are unable to pay your debt in full, you must contact your agency's servicing Human Resources Management Office and agree to a repayment plan that is acceptable. Payments must be made as required in the repayment plan. Please complete the enclosed **Repayment Agreement** and return it with your payment.

If you have filed for bankruptcy and the automatic stay is in effect you are not subject to offset while the automatic stay is in effect. Please notify us of the bankruptcy by sending evidence concerning the bankruptcy to the above address.

If you do not agree that you owe the amount shown, please provide your Agency with any evidence to substantiate your claim.

If you make or provide any knowingly false or frivolous statements, representations, or evidence you may be subjected to disciplinary procedures appropriate under 5 U.S.C Chapter 75, 5 CFR, Part 752, or any other statutes or regulations; or penalties under the False Claims Act, 31 U.S.C., 3729-3733, or any other applicable statutory authority; or criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002 or any other statutory authority.

Unless prohibited by law or contract, we will promptly refund to you any amounts paid by you or deducted from your payment for your debt which are later waived or found not owed to the United States.

If you have any questions regarding this letter please contact your Agency's servicing Human Resources Management Office.

FORM NFC-1100pg4ALL 08/14

Figure 20: Form NFC-1100pg4ALL, Employee Rights Notice



REPAYMENT AGREEMENT

DEBTOR NUMBER: _____ AMOUNT OWED: _____
 BILL NUMBER: _____ ESTIMATED DEDUCTION AMOUNT: _____
 ANNUAL INTEREST RATE: _____ PP TO BEGIN DEDUCTIONS: _____
 EMPLOYEE NAME: _____

I understand that I owe the amount indicated above. Failure to timely remit payment in full, or enter into an approved repayment agreement, will result in the debt becoming delinquent. Once delinquent, we will immediately begin to collect 15% of your disposable pay per pay period through enforced salary offset until the debt is paid in full or otherwise resolved, which will be deducted beginning in the stated pay period. An estimate of this amount is shown above. Deductions will continue until the debt is completely repaid. Additionally, this debt will be reported to the Department of Treasury (Treasury) for referral to the Bureau of the Fiscal Service (BFS) for additional collection action within 60 days of this notice.

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 rate indicated above will be charged on the unpaid balance every month, until the debt is paid in full.

I choose the following repayment plan (Check one):

1. My lump sum payment in the amount of \$ _____ is enclosed.

IF YOU HAVE SELECTED OPTION 1, sign and return the agreement to the following address:
 USDA / National Finance Center
 Administrative Collections
 P. O. Box 790342
 St. Louis, MO 63179-0342

Include on your payment check or money order, your Social Security Number and bill number. Make your check or money order payable to your agency.

2. NFC may deduct from my salary the TOTAL amount owed in the pay period shown above in "Pay Period To Begin Deductions".

3. NFC may deduct from my salary the TOTAL amount owed one pay period prior to the pay period shown above in "Pay Period To Begin Deductions".

4. 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.

IF YOU HAVE SELECTED OPTIONS 2, 3, OR 4 sign and return the agreement to the following address:
 USDA/National Finance Center
 Administrative Collections
 P. O. Box 61765
 New Orleans, LA 70161

5. I am unable to pay 15 percent of my disposable pay because of a financial hardship. You may deduct \$ _____ (not less than \$50) each pay period. This repayment amount has been approved by my employing agency. (Signature of agency approving official is required below.)

IF YOU HAVE SELECTED OPTION 5, sign and return the agreement to your Agency's Human Resource Management Office. The Agency approving official will approve, sign and submit the agreement to the National Finance Center Contact Center.

 EMPLOYEE'S SIGNATURE DATE

APPROVING OFFICIAL'S AGREEMENT (REQUIRED FOR OPTION 5 ONLY)

I agree that the employee may repay the amounts as prescribed in Option 5 above.

 AGENCY REPRESENTATIVE'S SIGNATURE DATE

 PRINT AGENCY REPRESENTATIVE'S NAME AND TITLE PHONE

FORM NFC-1101TR (REV. 8/14)

Figure 21: Form NFC-1101TR, Repayment Agreement



Exhibit 6: Form NFC-937, Notice of Intent to Recover Past-Due Health Benefits From Salary and Debtor Package (Form NFC-937pg2, Form NFC-937pg3ALL, and Form NFC-937pg4ALL)

NOTICE OF INTENT TO RECOVER PAST-DUE HEALTH BENEFITS FROM SALARY

Debtor No: _____ **AG:** _____ **Employing Office:** _____ **Bill No:** _____

Federal Employees Health Benefits (FEHB) Program regulations (section 890.502 of Title 5, Code of Federal Regulations) state that program enrollees are responsible for payment of the employee share of the cost of enrollment for every pay period in which the enrollment continues. The regulations further provide that an employee may elect to continue FEHB coverage while in a non-pay/insufficient pay status if he or she agrees in writing to payment of the resulting debts for missed premiums through (i) direct payments to the agency to keep the payments current or (ii) withholdings from salary upon returning to employment or upon the employee's pay becoming sufficient to cover the premiums. Our records indicate you are indebted for missed FEHB premiums and collection will begin automatically as shown below.

If you agree to pay upon returning to employment or upon your pay becoming sufficient to cover the premiums, the missed FEHB payments become due at the time you return to a sufficient pay status and a payment (equal to one premium) will be collected from your salary each pay period thereafter until the debt is paid in full. **Important: If your pay becomes insufficient to cover the payment due through salary deduction, e.g. you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency.**

Failure to timely remit payment within 30 days of the payment due date (i.e. official pay date for the pay period in which the premium payment was due) will result in your debt becoming delinquent. Once delinquent, withholdings will begin automatically to collect past due premiums from your disposable pay per pay period until the debt is paid in full or otherwise resolved.

Systemic collection of Health Insurance Receivable (HIR) payments may provide a pretax benefit; however, you do have the right to submit direct payments to NFC for repayment of this debt as well. If you want to remit your payments directly, and/or if your salary becomes insufficient for automatic withholding of the required payment due, check(s) should be made payable to your agency and mailed to:

**USDA, Office of the Chief Financial Officer
National Finance Center, Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342**

Your check(s) should be clearly identified FEHB Premiums and enclose a copy of this letter with your payment.

Pay period(s) not covered by withholdings:
Total premiums required for these pay periods:
Amounts you paid directly to agency:
Total amount due to date:
Recovery from salary begins on pay period:
Installment(s):
Last installment:

FORM NFC-937 (Revised 7/15)

Figure 22: Form NFC-937, Notice Of Intent To Recover Past-Due Health Benefits From Salary



The Debt Collection Improvement Act of 1996 requires all Federal agencies to refer delinquent administrative non-tax debts over 120 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts. The BFS may enforce collection of delinquent debts by reporting information to credit bureaus; referring debts to collection agencies; initiating wage garnishment proceedings and/or salary offset; initiating tax refund offsets; and/or offset of other federal payments such as awards and travel reimbursement and advances, as allowed by law.

Bargaining Unit Employees should refer to their Collective Bargaining Agreement or Master Agreement for specific available rights under their negotiated process.

Unless other arrangements are made, these withholdings will begin automatically as shown on page 1 of this notice. If you separate from service before the full amount due is recovered, your final salary payment will be used to complete recovery of the indebtedness. The remaining amount due, if any, will be recovered from any other monies owed to you by the Federal Government, such as amounts payable under the Federal Retirement Systems.

If you do not agree that you owe the amount shown, please provide your agency with any evidence to substantiate your claim.

WAIVER RIGHTS FOR SPECIFIC HIR DEBTS

If this HIR indebtedness is due to the under withholdings of health premiums, you may be entitled to waiver rights in accordance with 5 U.S.C. 5584. For example if you elected to change your coverage from single to family and only the single rate was deducted or if you changed carriers with a higher rate than your current carrier and the lower rate was deducted, then you are entitled to waiver rights. If however, this HIR indebtedness is due to the accumulation of Federal Employee Health Benefit premiums while in a non-pay status you are not entitled to waiver rights.

NOTICE TO CUSTOMERS MAKING PAYMENT BY CHECK

Authorization to Convert Your Check: If you send us a check to make your payment, your check will be converted into an electronic fund transfer. Electronic fund transfer is the term used to refer to the process in which we electronically instruct your financial institution to transfer funds from your account to our account, rather than processing your check. By sending your completed, signed check to us, you authorize us to copy your check and to use the account information from your check to make an electronic fund transfer from your account for the same amount as the check. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your check.

Insufficient Funds: The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, make sure there are sufficient funds available in your checking account when you send us your check. If the electronic fund transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two times (and we will charge you a one-time fee of \$20.00, which we will also collect by electronic fund transfer).

Transaction Information: The electronic fund transfer from your account will be on the account statement you receive from your financial institution. However, the transfer may be in a different place on your statement than the place where your checks normally appear. For example, it may appear under other withdrawals or other transactions. You will not receive your original check back from your financial institution. For security reasons, we will destroy your original check, but we will keep a copy of the check for record keeping purposes.

Your Rights: You should contact your financial institution immediately if you believe that the electronic fund transfer reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protections under a Federal Law called the Electronic Fund Transfer Act for an unauthorized or incorrect electronic fund transfer.

FORM NFC-937pg2 (Revised 09/15)

Figure 23: Form NFC-937pg2, Employee Rights Notice



This debt becomes delinquent 30 days from the original bill date or within 30 days from the date of this notice, if you fail to make timely payments consistent with the installment amount(s) shown on this Notice of Intent. **Important: If your pay becomes insufficient to cover the payment due through salary deduction, e.g. you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency. Should your debt become delinquent, it is the policy of this office to:**

- Offset up to 15% of your disposable income from your salary each pay period until paid in full. Once this offset begins, any pre-tax benefit is forfeited.
- Report this debt to the Department of Treasury (Treasury) for referral to the Bureau of the Fiscal Service (BFS) for additional collection action within 60 days of the notice. Also, an administrative wage garnishment order may be initiated to collect this debt. Interest, penalty and administrative charges will continue to accrue on the unpaid debt, pursuant to 31 U.S.C., sec 3717. If the debt is referred for offset, you will be assessed an additional administrative charge.
- Refer delinquent debts to consumer credit reporting agencies within 60 days of this notice. You may request a review of the status of your account, including any information that is reported to a credit bureau.
- The Debt Collection Improvement Act of 1996 (DCIA) 31 U.S.C. 3720D authorizes Federal agencies to garnish wages of an individual to collect non-tax delinquent debts owed to the U.S. Government. Wage garnishment is a process whereby an employer withholds amounts from an employee's disposable pay and pays those amounts to the employee's creditor in satisfaction of a withholding order.

If your debt is referred to Treasury for additional collection action, the following actions may be taken to enforce collection of this debt

- Referral of the debt to a private collection agency;
- Referral of the debt to the U.S. Department of Justice or agency counsel for litigation;
- Reporting of the debt, if discharged, to the Internal Revenue Service as potential income.

Once your debt is submitted to TOP, Treasury will reduce or withhold any of your eligible Federal and State payments by the amount of your debt this process, known as offset, is authorized by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. U.S. Treasury is not required to send you notice before your payment is offset. Payments eligible for offset include:

- Income tax refunds;
- Federal salary, Pay, including military pay;
- Federal retirement, including military retirement pay;
- Contractor/vendor payments;
- Certain Federal Benefit payments, such as Social Security (other than Supplemental Security (SSI)), Railroad Retirement (other than Tier 2), Black Lung (Part B) benefits;
- Other Federal payments, including certain loans to you, which are not exempt from offset; and
- State payments.

Also, an additional administrative charge of at least 28 percent will be added to the subject amount by the Department of Treasury if your debt is referred to them for additional collection action.

Before we submit your debt to BFS, we are required to tell you that you have 60 days to (1) inspect and copy our records related to your debt; and (2) request an agency review of the determination that you owe this debt.

IF YOU FILE A JOINT INCOME TAX RETURN

If you file a joint income tax return, you should contact the Internal Revenue Service before filing your return regarding the steps to take to protect the share of the refund which may be payable to your spouse, who is not a delinquent debtor to the U.S. Government.

FORM NFC-937pg3ALL (Revised 08/10)

Figure 24: Form NFC-937pg3ALL, Employee Rights Notice



TO AVOID REFERRAL TO THE DEPARTMENT OF TREASURY

You must repay the debt in full within 30 days of this notice or make timely payments equal to the installment amount agreed upon. To repay your debt, send a check or money order for the full amount of the debt to:

**USDA/NFC
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342**

ADDITIONAL INFORMATION

If you have filed for bankruptcy and the automatic stay is in effect you are not subject to offset while the automatic stay is in effect. Please notify us of the bankruptcy by sending evidence concerning the bankruptcy to the above address.

If you make or provide any knowingly false or frivolous statements, representations, or evidence you may be subjected to disciplinary procedures appropriate under 5 U.S.C. Chapter 75, 5CFR Part 752, or any other statutes or regulations; or penalties under the False Claims Act 31 U.S.C. 3729-3733, or any other applicable statutory authority; or criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002 or any other statutory authority.

Unless prohibited by law or contract, we will promptly return to you any amounts paid by you or deducted from your payment for your debt which are later waived or found not owed to the United States.

**If you have any questions regarding this letter please contact your
Agency's servicing Human Resources Management Office.**

FORM NFC-937pg4ALL (Revised 5/15)

Figure 25: Form NFC-937pg4ALL, To Avoid Referral To The Department Of Treasury



Exhibit 7: Form NFC 937TR, Notice of Intent to Recover Past-Due Health Benefits from Salary and Debtor Package (Form NFC-937pg2TR, Form NFC-937pg3ALL, and Form NFC-937pg4ALL)

NOTICE OF INTENT TO RECOVER PAST-DUE HEALTH BENEFITS FROM SALARY

Debtor No: **AG:** **Employing Office:** **Bill No:**

Federal Employees Health Benefits (FEHB) Program regulations (section 890.502 of Title 5, Code of Federal Regulations) state that program enrollees are responsible for payment of the employee share of the cost of enrollment for every pay period in which the enrollment continues. The regulations further provide that an employee may elect to continue FEHB coverage while in a non-pay/insufficient pay status if he or she agrees in writing to payment of the resulting debts for missed premiums through (i) direct payments to the agency to keep the payments current or (ii) withholdings from salary upon returning to employment or upon the employee's pay becoming sufficient to cover the premiums. Our records indicate you are indebted for missed FEHB premiums and collection will begin automatically as shown below.

If you agree to pay upon returning to employment or upon your pay becoming sufficient to cover the premiums, the missed FEHB payments become due at the time you return to a sufficient pay status and a payment (equal to one premium) will be collected from your salary each pay period thereafter until the debt is paid in full. **Important:** If your pay becomes insufficient to cover the payment due through salary deduction, e.g. you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency.

Failure to timely remit payment within 30 days of the payment due date (i.e. official pay date for the pay period in which the premium payment was due) will result in your debt becoming delinquent. Once delinquent, withholdings will begin automatically to collect past due premiums from your disposable pay per pay period until the debt is paid in full or otherwise resolved.

Systemic collection of Health Insurance Receivable (HIR) payments may provide a pretax benefit; however, you do have the right to submit direct payments to NFC for repayment of this debt as well. If you want to remit your payments directly, and/or if your salary becomes insufficient for automatic withholding of the required payment due, check(s) should be made payable to your agency and mailed to:

**USDA, Office of the Chief Financial Officer
National Finance Center, Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342**

Your check(s) should be clearly identified FEHB Premiums and enclose a copy of this letter with your payment.

Pay period(s) not covered by withholdings:
Total premiums required for these pay periods:
Amounts you paid directly to agency:
Total amount due to date:
Recovery from salary begins on pay period:
Installment(s):
Last installment:

FORM NFC-937TR (Revised 05/13)

Figure 26: Form NFC-937TR, Notice Of Intent To Recover Past-Due Health Benefits From Salary



The Debt Collection Improvement Act of 1996 requires all Federal agencies to refer delinquent administrative non-tax debts over 120 days delinquent to the Department of Treasury, Bureau of the Fiscal Service (BFS) for further enforced collection efforts. The BFS may enforce collection of delinquent debts by reporting information to credit bureaus; referring debts to collection agencies; initiating wage garnishment proceedings and/or salary offset; initiating tax refund offsets; and/or offset of other federal payments such as awards and travel reimbursement and advances, as allowed by law.

Unless other arrangements are made, these withholdings will begin automatically as shown on page 1 of this notice. If you separate from service before the full amount due is recovered, your final salary payment will be used to complete recovery of the indebtedness. The remaining amount due, if any, will be recovered from any other monies owed to you by the Federal Government, such as amounts payable under the Federal Retirement Systems.

If you do not agree that you owe the amount shown, please provide your agency with any evidence to substantiate your claim.

NOTICE TO CUSTOMERS MAKING PAYMENT BY CHECK

Authorization to Convert Your Check: If you send us a check to make your payment, your check will be converted into an electronic fund transfer. Electronic fund transfer is the term used to refer to the process in which we electronically instruct your financial institution to transfer funds from your account to our account, rather than processing your check. By sending your completed, signed check to us, you authorize us to copy your check and to use the account information from your check to make an electronic fund transfer from your account for the same amount as the check. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your check.

Insufficient Funds: The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, make sure there are sufficient funds available in your checking account when you send us your check. If the electronic fund transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two times (and we will charge you a one-time fee of \$20.00, which we will also collect by electronic fund transfer).

Transaction Information: The electronic fund transfer from your account will be on the account statement you receive from your financial institution. However, the transfer may be in a different place on your statement than the place where your checks normally appear. For example, it may appear under other withdrawals or other transactions. You will not receive your original check back from your financial institution. For security reasons, we will destroy your original check, but we will keep a copy of the check for record keeping purposes.

Your Rights: You should contact your financial institution immediately if you believe that the electronic fund transfer reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protections under a Federal Law called the Electronic Fund Transfer Act for an unauthorized or incorrect electronic fund transfer.

ELECTRONIC PAYMENTS THROUGH PAY.GOV

To make an electronic payment, log on to Pay.gov at <https://pay.gov>

Under Find Public Forms, enter NFC in Search Public Forms

Select Go

Select USDA National Finance Center, Debt Collection Form

FORM NFC-937pg2TR (revised 05/15)

Figure 27: Form NFC-937pg2TR, Employee Rights Notice



This debt becomes delinquent 30 days from the original bill date or within 30 days from the date of this notice, if you fail to make timely payments consistent with the installment amount(s) shown on this Notice of Intent. **Important: If your pay becomes insufficient to cover the payment due through salary deduction, e.g. you enter into a non-pay status or separate from service, it is your responsibility to submit the missed payment to the National Finance Center (NFC) to avoid delinquency. Should your debt become delinquent, it is the policy of this office to:**

- Offset up to 15% of your disposable income from your salary each pay period until paid in full. Once this offset begins, any pre-tax benefit is forfeited.
- Report this debt to the Department of Treasury (Treasury) for referral to the Bureau of the Fiscal Service (BFS) for additional collection action within 60 days of the notice. Also, an administrative wage garnishment order may be initiated to collect this debt. Interest, penalty and administrative charges will continue to accrue on the unpaid debt, pursuant to 31 U.S.C. sec 3717. If the debt is referred for offset, you will be assessed an additional administrative charge.
- Refer delinquent debts to consumer credit reporting agencies within 60 days of this notice. You may request a review of the status of your account, including any information that is reported to a credit bureau.
- The Debt Collection Improvement Act of 1996 (DCIA) 31 U.S.C. 3720D authorizes Federal agencies to garnish wages of an individual to collect non-tax delinquent debts owed to the U.S. Government. Wage garnishment is a process whereby an employer withholds amounts from an employee's disposable pay and pays those amounts to the employee's creditor in satisfaction of a withholding order.

If your debt is referred to Treasury for additional collection action, the following actions may be taken to enforce collection of this debt:

- Referral of the debt to a private collection agency;
- Referral of the debt to the U.S. Department of Justice or agency counsel for litigation;
- Reporting of the debt, if discharged, to the Internal Revenue Service as potential income.

Once your debt is submitted to TOP, Treasury will reduce or withhold any of your eligible Federal and State payments by the amount of your debt this process, known as offset, is authorized by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. U.S. Treasury is not required to send you notice before your payment is offset. Payments eligible for offset include:

- Income tax refunds;
- Federal salary, Pay, including military pay;
- Federal retirement, including military retirement pay;
- Contractor/vendor payments;
- Certain Federal Benefit payments, such as Social Security (other than Supplemental Security (SSI)), Railroad Retirement (other than Tier 2), Black Lung (Part B) benefits;
- Other Federal payments, including certain loans to you, which are not exempt from offset; and
- State payments.

Also, an additional administrative charge of at least 28 percent will be added to the subject amount by the Department of Treasury if your debt is referred to them for additional collection action.

Before we submit your debt to BFS, we are required to tell you that you have 60 days to (1) inspect and copy our records related to your debt; and (2) request an agency review of the determination that you owe this debt.

IF YOU FILE A JOINT INCOME TAX RETURN

If you file a joint income tax return, you should contact the Internal Revenue Service before filing your return regarding the steps to take to protect the share of the refund which may be payable to your spouse, who is not a delinquent debtor to the U.S. Government.

FORM NFC-937pg3ALL (Revised 09/16)

Figure 28: Form NFC-937pg3ALL, Employee Rights Notice



TO AVOID REFERRAL TO THE DEPARTMENT OF TREASURY

You must repay the debt in full within 30 days of this notice or make timely payments equal to the installment amount agreed upon. To repay your debt, send a check or money order for the full amount of the debt to:

**USDA/NFC
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342**

ADDITIONAL INFORMATION

If you have filed for bankruptcy and the automatic stay is in effect you are not subject to offset while the automatic stay is in effect. Please notify us of the bankruptcy by sending evidence concerning the bankruptcy to the above address.

If you make or provide any knowingly false or frivolous statements, representations, or evidence you may be subjected to disciplinary procedures appropriate under 5 U.S.C. Chapter 75, 5CFR Part 752, or any other statutes or regulations; or penalties under the False Claims Act 31 U.S.C. 3729-3733, or any other applicable statutory authority; or criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002 or any other statutory authority.

Unless prohibited by law or contract, we will promptly return to you any amounts paid by you or deducted from your payment for your debt which are later waived or found not owed to the United States.

If you have any questions regarding this letter please contact your Agency's servicing Human Resources Management Office.

FORM NFC-937pg4ALL (Revised 5/15)

Figure 29: Form NFC-937pg4ALL, To Avoid Referral To The Department Of Treasury



Exhibit 8: Lien Letter

 **U.S. Department of Agriculture**
National Finance Center
Administrative Billings and Collections Section
P.O. Box 61765, New Orleans, LA 70161

Date

Office of Personnel Management
Employees Service and Record Center
P.O. Box 45
Boyers, Pennsylvania 16017

Gentlemen:

Please withhold processing refund to the following employee. We became aware of the indebtedness in the amount of «DebtAmt» after the Standard Form 2806, Individual Retirement Record, had been submitted.

Personnel Office I.D.#: 12-40-0001

Name: «EmpName»

SSN: «EmpSSN»

DOB: «EmpDOB»

Separation Date: «SepDate»

Retirement Code: «RetCode»

OPM Register #: «OPMRegNo»

Agency: «AgencyName»

Reason: «DebtReason»

Necessary documents and certification will follow after the employee has been given due process.

«ClerkName», Accounting Technician
Administrative Billings and Collections Section

Figure 30: Lien Letter



Appendix

This section includes the following topics:

System Codes73

System Codes

System Code	Description
01	Travel Advances (ADVN)
02	Travel Vouchers (TVCH)
16	Transportation (Other)
61	Travel (TRVL)
91	Voluntary Collections
92	Employee Indebtedness
SX	Special Payroll Processing System (SPPS)



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Form NFC-937, Notice of Intent to Recover Past-Due Health Benefits From Salary and Debtor Package (Form NFC-937pg2, Form NFC-937pg3ALL, and Form NFC-937pg4ALL) • 61

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