



March 18, 2020

Mr. Brian J. Wagner
President
National Association of Postal Supervisors
1727 King Street, Suite 400
Alexandria, VA 22314-2753

Dear Brian;

This is to follow-up on our March 25, 2019, notification regarding changes to the Employee and Labor Relations Manual (ELM) Section 450, *Collection of Postal Debts from Nonbargaining Unit Employees by Salary Offset*, and Section 460, *Collection of Postal Debts from Bargaining Unit Employees by Salary Offset*.

We have updated the revisions outlined in our March 25, 2019, notice by editing the entire document to correct grammatical errors and sentence structure issues. There were no changes to any of the content.

We anticipate that the system changes and new process are schedule to be implemented on March 29 and the revisions will be published in the September 2020 Postal Bulletin.

We have enclosed:

- A final draft copy of ELM Sections 450 and 460 with changes from the March 25, 2019, version identified.
- A final draft copy of ELM Sections 450 and 460.

Please contact Bruce Nicholson at extension 7773 if you have any questions concerning this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David E. Mills".

David E. Mills
A/Manager
Labor Relations Policies and Programs

Enclosures

450 Collection of Postal Debts From Nonbargaining Unit Employees by Salary Offset

451 General

451.1 Scope

These regulations apply to the collection, by salary offset, of any debt owed the Postal Service by a current employee who is not included in a collective bargaining unit. The regulations in 452.3 may also apply to the collection of any debt owed the Postal Service by a current employee who is included in a collective bargaining unit.

451.2 Representation

Employees have the right to representation and free choice of representative. If the employee's designated representative is a Postal Service employee in a duty status, the representative is granted a reasonable amount of official time to perform any function for the employee that is authorized by these regulations.

451.3 Definitions

The following definitions apply to the material in this subchapter:

- a. *Administrative salary offset* — the collection of a debt owed to the Postal Service or other government agency through deductions from the disposable pay of a Postal Service employee under the authority of section 5 of the Debt Collection Act of 1982, 5 U.S.C. 5514(a).
- b. *Court judgment salary offset* — the collection of a debt owed to the Postal Service or other government agency through deductions from the current pay of a Postal Service employee under the authority of section 124 of Public Law 97-276.
- c. *Current pay or disposable pay* — that part of an employee's salary that remains after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.
- d. *Debt* — any outstanding amount owed to the Postal Service by an employee.
- e. *Employee* — a current employee of the Postal Service.
- f. *Pay* — basic pay, special pay, incentive pay, retired pay, retainer pay, or any other authorized pay, including cost-of-living adjustment or territorial cost-of-living allowance, received by an employee.
- g. *Postmaster or installation head* — the top management official at a Post Office or installation or the official who has supervisory responsibility for a debtor employed at Headquarters or in area offices. When the debtor is a postmaster or installation head, the term refers to the official to whom the postmaster or installation head reports.
- h. *Waiver* — the Postal Service's cancellation, remission, or forgiveness of a debt, the recovery of which these regulations cover.

451.4 Time Computation

In computing any period of time these regulations prescribe or allow, the day the designated period of time begins to run is not included. The last day of the period computed is included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or legal holiday.

451.5 Effect of Waiver Request

If an employee requests a waiver of a debt, the recovery of which these regulations cover, that request does not stay the collection process. However, if the Postal Service ultimately grants the waiver request, the Postal Service refunds the amount collected to the employee.

451.6 Service of Notice and Delivery of Records

The Postal Service will deliver to an employee by trackable mail any notice required by, or any records requested pursuant to, these regulations.

452 Procedures Governing Administrative Salary Offsets

452.1 Determination and Collection of Debt

452.11 Establishment of Accounts Receivable

Various circumstances may generate a debt subject to collection under this subchapter. These may include, but are not limited to, the following:

- a. Payroll.
- b. Adjustments.

USPS DISBURSING OFFICE
2825 LONE OAK PKWY
EAGAN MN 55121-9640

b. *Pay by Credit or Debit Card.* To pay by credit or debit card, employees must have a valid email address and send an email with their name, employee ID number, invoice number and total amount to be paid to: YVVQJ0@usps.gov. The employee will receive an email with a secure link to pay online. Employees with questions about paying by credit or debit card may call the Financial Processing phone number at the top of the invoice.

452.3 Statutory Offset Procedures

452.31 Authority

Under section 5 of the Debt Collection Act, 5 U.S.C. 5514(a) (1982), the Postal Service may, after providing certain procedural rights, offset an employee's salary to satisfy any debt due the Postal Service. If the individual's employment ends before the full debt is collected, the Postal Service may make deductions from subsequent payments of any nature due the employee.

452.32 Notifying the Employee

452.321 Notice

If the employee fails to resolve a debt within 15 days of receiving a Letter of Debt Determination, the Eagan ASC will provide the employee with the following:

- a. A *Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act* (see [452.322](#)).
- b. A copy of the procedures that govern hearings under section 5 of the Debt Collection Act (see [Exhibit 452.322](#)).

The notice will explain the employee's procedural rights, including the right to petition the Postal Service judicial officer for a hearing to challenge the existence or the amount of the debt or the Postal Service's proposed offset schedule. If the employee fails to petition the judicial officer within the applicable time frames (see [452.336](#)) or to take other action to stay collection, the Eagan ASC will implement an appropriate salary offset no sooner than 30 days after the date of the notice.

452.322 Contents

The notice required by [452.321](#) must notify the employee of the following:

- a. The name, work address, and telephone number of the postmaster or installation head issuing the notice.
- b. The Postal Service's determination of the existence and amount of the debt.
- c. The nature of the debt.
- d. The Postal Service's intention to collect the amount due by offsetting 15 percent of the employee's disposable pay (or the alternative amount determined for a bargaining unit employee as provided in [\(462.42\)](#) each pay period.
- e. The procedural rights available to the employee, as well as the appropriate method for requesting them. These rights include an opportunity to:
 - (1) Obtain copies of Postal Service records relating to the debt.
 - (2) Avoid the need for involuntary offsets by paying the debt in full.

452.33 Procedures Governing the Exercise of Employee Rights

452.331 Employee Options

Employees may pursue as many options available to them as they wish. However, employees must submit a petition for a hearing on the Postal Service's determination of the existence or amount of a debt, or on the terms of the Postal Service's proposed repayment schedule, on or before the 15th calendar day following the employee's receipt of the *Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act*. Employees able to resolve the debt through another available option after requesting a hearing may withdraw their hearing petition, and the case may be dismissed.

452.332 Requests for Postal Records

If an employee wishes copies of records, the following procedures apply:

- a. *Employee Must Submit Request.* Within 10 calendar days after receiving notice of the Postal Service's intention to collect a debt through involuntary salary offsets and before any requested hearing is held, bargaining unit and nonbargaining unit employees have the following options:
 - (1) *Nonbargaining unit employees* — may request copies of any records they did not previously obtain under [452.241](#) related to the debt.
 - (2) *Bargaining unit employees* — may request copies of any records they or the employee's union did not previously obtain under [462.21](#).

- (2) Whether the essential material expenses have been minimized as much as possible.
- (3) The extent to which the employee and his or her spouse and dependents can borrow to finance their essential expenses and to repay the debt.

The district finance manager should approve the employee's alternative offset schedule only if it provides for installment payments that bear a reasonable relationship to the size of the debt and the employee's ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.

- d. *Notification.* The district finance manager must notify the employee in writing of his or her decision regarding the employee's proposed alternative offset schedule within 10 calendar days of receiving it from the employee.
- e. *Implementation.* The district finance manager and the employee must implement the terms of an acceptable alternative repayment agreement by completing the Employee Debt Modification Request form in eIWS OnLine forms. If necessary, this request form can be initiated with the local supervisor's or manager's assistance

452.335 Debt Collection Hearing

If an employee wishes to request a hearing, the employee and the Postal Service proceed as follows:

- a. *Hearing Request.* If an employee desires a hearing prescribed by section 5 of the Debt Collection Act of 1982 on the Postal Service's determination of the existence or amount of the debt, or on the involuntary repayment terms the Postal Service proposed, the employee must file a written petition for a hearing in accordance with the requirements of 39 CFR 961.4. The employee must file the petition in one of the following ways:

- (1) Electronically, using the judicial officer's electronic filing system at <https://uspsjoe.justware.com/justiceweb>.
- (2) By hardcopy, mailed to the following address:
RECORDER
JUDICIAL OFFICER
US POSTAL SERVICE
2101 WILSON BLVD STE 600
ARLINGTON VA 22201-3078

The employee must file the petition on or before the 15th calendar day following the employee's receipt of the *Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act*. The hearing procedures are in 39 CFR Part 961, which the Postal Service has incorporated for reference.

- b. *Pre-Decision Responsibilities.* After an employee has requested a hearing, the general counsel notifies the appropriate postmaster or installation head, labor relations department, and the Eagan ASC of the filing. Upon notification, all collection activities must stop.
- c. *Postdecision Responsibilities.* After an employee is granted a requested hearing and a written decision has been rendered, the general counsel notifies the appropriate postmaster or installation head, district labor relations, and the Eagan ASC of the determination. If the hearing decision indicates that the employee is not indebted to the Postal Service, Eagan ASC must take the necessary steps to remove all references to the debt from the employee's records. However, if the decision authorizes the Postal Service to offset an employee's salary, the Postal Service must take steps to initiate the authorized offsets.

452.34 Employee Failure to Respond

If, upon receiving notice of the Postal Service's intention to collect a debt through involuntary salary offsets, the employee fails to repay the debt and does not request a hearing on the Postal Service's determination of the debt, the Postal Service will collect the debt by automatic payroll deductions at a rate of 15 percent.

452.4 Exceptions to Voluntary Repayment and Statutory Offset Procedures

- a. The procedures governing the collection of postal debts contained in sections [452.2](#) and [452.3](#) do not apply to the following:
 - (1) Amounts to be collected that arose from the employee's election of coverage or change of coverage under a federal benefits program requiring periodic deductions from pay, and that accumulated over four pay periods or less;
 - (2) Routine intra-agency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that occurred within the four pay periods preceding the pay period in which the first adjustment is made, provided the individual is given notice in accordance with [452.4b](#); or
 - (3) Any adjustment that amounts to \$50 or less, provided the individual is given notice in accordance with [452.4b](#).

Service and another agency request the maximum allowable deductions, collection of the other agency's debt must be interrupted or postponed until the entire postal debt is recovered.

However, if an amount less than that requested by the other agency may be deducted in addition to the offsets requested by the Postal Service without exceeding the appropriate percentage ceiling, deductions for the lesser amount must be withheld and forwarded to the requesting agency along with an explanation for the smaller offsets.

454.5 Garnishments

Administrative salary offsets based on section 5 of the Debt Collection Act of 1982 and court judgment salary offsets based on section 124 of Public Law 97-276 are not, as a matter of law, considered garnishments. For purposes of determining an employee's "disposable earnings" under the Federal Consumer Credit Protection Act, 15 U.S.C. 1671, et seq., these withholdings are considered to be amounts required by law to be deducted. Accordingly, they must be deducted before the applicable garnishment ceilings are imposed and before deductions for garnishments are made.

455 Action Upon Transfer or Separation

455.1 Withholding Funds from Amount Due

If a Postal Service employee whose wages are subject to offset transfers to another federal agency or separates from employment, the Postal Service applies any amount due the employee at the time of his or her separation to the debt owed the Postal Service, subject to the requirements of 31 U.S.C. 3716 as outlined in [470](#) and [480](#), if appropriate. If the debt is still not satisfied, the Postal Service must take appropriate action as described in [455.2](#) or [455.3](#).

455.2 Transfer to Another Federal Agency

If a Postal Service employee whose wages are subject to offset transfers to another federal agency, and the full debt cannot be collected from amounts due the employee from the Postal Service, the following procedures apply:

- a. The Postal Service must request that the former employee's new agency continue to offset the debtor's salary until the debt is satisfied.
- b. The request must specify all of the following:
 - (1) Amount of the original debt.
 - (2) Amount collected by the Postal Service through salary offsets.
 - (3) Amount that remains to be collected.
 - (4) Percentage of the debtor's disposable earnings or current pay that must be deducted each pay period.
- c. The Postal Service must certify that the former employee has been accorded all due process rights to which he or she is entitled.
- d. When the Postal Service sends the request to the new employing agency, it must also send a copy to the former employee at his or her home address.

455.3 Collection of Debt Upon Separation

If the full debt cannot be collected from amounts due the employee at the time of his or her separation, the financial processing branch manager must attempt to recover the debt from any retirement or disability payments due the former employee in accordance with the provisions of 5 CFR 831, Subpart R, or 5 CFR 845, Subpart D, subject to the requirements of 31 U.S.C. 3716 as outlined in [470](#) and [480](#), if appropriate.

450 Collection of Postal Debts From Nonbargaining Unit Employees by Salary Offset

451 General

451.1 Scope

These regulations apply to the collection, by salary offset, of any debt owed the Postal Service by a current employee who is not included in a collective bargaining unit. The regulations in [452.3](#) may also apply to the collection of any debt owed the Postal Service by a current employee who is included in a collective bargaining unit.

451.2 Representation

Employees have the right to representation and free choice of representative. If the employee's designated representative is a Postal Service employee in a duty status, the representative is granted a reasonable amount of official time to perform any function for the employee that is authorized by these regulations.

451.3 Definitions

The following definitions apply to the material in this subchapter:

- a. *Administrative salary offset* — the collection of a debt owed to the Postal Service or other government agency through deductions from the disposable pay of a Postal Service employee under the authority of section 5 of the Debt Collection Act of 1982, 5 U.S.C. 5514(a).
- b. *Court judgment salary offset* — the collection of a debt owed to the Postal Service or other government agency through deductions from the current pay of a Postal Service employee under the authority of section 124 of Public Law 97-276.
- c. *Current pay or disposable pay* — that part of an employee's salary that remains after all required deductions (normal retirement contributions, FICA and Medicare insurance taxes, federal income tax, state and local income taxes, and employee-paid federal health insurance premiums) are made.
- d. *Debt* — any outstanding amount owed to the Postal Service by an employee.
- e. *Employee* — a current employee of the Postal Service.
- f. *Pay* — basic pay, special pay, incentive pay, retired pay, retainer pay, or any other authorized pay, including cost-of-living adjustment or territorial cost-of-living allowance, received by an employee.
- g. *Postmaster or installation head* — the top management official at a Post Office or installation or the official who has supervisory responsibility for a debtor employed at Headquarters or in area offices. When the debtor is a postmaster or installation head, the term refers to the official to whom the postmaster or installation head reports.
- h. *Waiver* — the Postal Service's cancellation, remission, or forgiveness of a debt, the recovery of which [these regulations](#) is covered by [these regulations](#).

451.4 Time Computation

In computing any period of time [these regulations](#) prescribed or ~~allowed by these regulations~~, the day the designated period of time begins to run is not included. The last day of the period computed is included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or legal holiday.

451.5 Effect of Waiver Request

If an employee requests a waiver of a debt, the recovery of which these regulations cover, that request does not stay the collection process. However, if the Postal Service ultimately grants the waiver request, the Postal Service refunds the amount collected to the employee.

451.6 Service of Notice and Delivery of Records

The Postal Service will deliver [to an employee by trackable mail](#) any notice required by, or any records requested pursuant to, these regulations ~~to an employee by trackable mail~~.

452 Procedures Governing Administrative Salary Offsets

452.1 Determination and Collection of Debt

452.11 Establishment of Accounts Receivable

Various circumstances may generate a debt subject to collection under this subchapter. These may include, but are not limited to, the following:

- a. Payroll.
- b. Adjustments.

- c. Field shortages, such as stock and cash shortages.
- d. Advances.

452.12 Collection by Postmaster or Installation Head

Each postmaster, installation head, ~~or and~~ designee is responsible for the following:

- a. Monitoring the debt-collection process.
- b. Maintaining supporting documentation.
- c. Ensuring that the debt is resolved.

452.2 Voluntary Repayment Procedures

452.21 General

The procedures in this section are intended to facilitate the informal resolution of employee-owned debts.

452.22 Notice to Employee

The Postal Service will send the employee an invoice reflecting an employee-owned debt with written notice of the Postal Service's determination of the existence, nature, and amount of the debt.

452.23 Options Available to Employee

Employees who must repay a debt may do either of the following ~~when they must repay a debt~~:

- a. *Payment in Full.* ~~If you~~ Employees who want to repay the entire debt, ~~you~~ must do the following:
 - (1) Submit a check or money order to the appropriate official and address listed on your-the employee's "Letter of Debt Determination – Nonbargaining."
 - (2) Write your-the employee's Employee Identification Number (EIN) on the check or money order.
 - (3) ~~Make-Write~~ the check or money order ~~out~~ for the full amount due.
 - (4) Submit your-the check or money order no later than 30 calendar days from the date you-the employee received your-the letter; if ~~you do~~ the employee does not request copies of postal records relating to your-the debt, or within 15 calendar days from the date the employee ~~you~~ received ~~any~~ requested records.
 - (5) To pay by ~~Credit or /Debit~~ card, employees ~~you~~ must have a valid email address ~~and~~ ~~s~~Send an email with their nName, Employee ID#, invoice # number, and Total Amount to be paid to ~~the following~~ email address: YVVQJ0@usps.gov. ~~They~~ ~~You~~ will ~~then~~ receive an ~~an~~ ~~-return~~ email with a secure link to pay online. ~~- If you have any Employees with~~ questions about paying by ~~Credit or /Debit~~ card ~~may~~, call the Financial Processing phone number at the top of the invoice.
- b. *Consent to Offsets.* ~~If you~~ Employees who would like to repay the debt voluntarily through offsets of 15 percent or more of your-their disposable pay, ~~you~~ must do the following:
 - (1) Contact the appropriate official at the address listed on your-the employee's "Letter of Debt Determination – Nonbargaining."
 - (2) Complete ~~the~~ Employee Debt Modification Request through eIWS OnLine forms, no later than 30 calendar days from the date you-the employee received your-the letter; if ~~you do~~ the employee does not request copies of postal records relating to your-the debt, or within 15 calendar days from the date you-the employee received ~~any~~ requested records. If necessary, this request form can be initiated with the local supervisor's or manager's ~~the assistance of the local supervisor/manager~~.

452.24 Employee Response to Notice

452.241 Request for Copies of Postal Records

~~If an~~ Employees who would like copies of records relating to a postal debt, ~~he or she~~ must notify the postmaster or installation head in writing within ~~10~~ calendar days of receiving notice of the Postal Service's determination of a debt. The postmaster or installation head is responsible for the following:

- a. Requesting copies of the pertinent records by telephone, if necessary, from the Eagan Accounting Service Center (ASC), appropriate postal facility, or both.
- b. Providing the employee with copies of these records within 5 calendar days of receiving the employee's written request.

Until collection of the debt is completed, the postmaster or installation head must keep a copy of all records provided to the employee.

452.242 Payment in Full

~~An~~ employees who acknowledges the validity of the Postal Service's claim and wishes to repay the entire debt must do one of the following:

- a. Submit a ~~C~~heck or ~~M~~oney ~~O~~der. ~~Print~~ Employees must print ~~your~~ their EIN on the check or money order and include the bottom portion of the invoice when ~~you~~ they mail the money order or check to the following address:

USPS DISBURSING OFFICE
2825 LONE OAK PKWY
EAGAN, MN 55121-9640

- b. ~~Pay by Credit or Debit Card.~~ To pay by ~~C~~redit or ~~D~~ebit card, ~~employees~~ you must have a valid email address ~~and s~~. Send an email with ~~their~~ Nname, ~~E~~mployee ID ~~number~~#, ~~i~~nvoice # ~~number~~ and ~~Total-total~~ Amount to be paid to: ~~the following email address:~~ YVVQJ0@usps.gov. ~~You~~ The employee will ~~then~~ receive an ~~return~~ email with a secure link to pay online. ~~Employees with questions about paying by credit or debit card may~~ If you have any questions about paying by Credit/Debit card, call the Financial Processing phone number at the top of the invoice.

452.3 Statutory Offset Procedures

452.31 Authority

Under section 5 of the Debt Collection Act, 5 U.S.C. 5514(a) (1982), the Postal Service may, after providing certain procedural rights, offset an employee's salary ~~in order~~ to satisfy any debt due the Postal Service. If the individual's employment ends before the full debt is collected, the Postal Service may make deductions from subsequent payments of any nature due the employee.

452.32 Notifying the Employee

452.321 Notice

If the employee fails to resolve a debt within 15 days of receiving a Letter of Debt Determination, the Eagan ASC will provide the employee with the following:

- a. A Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act (see [452.322](#)).
- b. A copy of the procedures that govern hearings under section 5 of the Debt Collection Act (see [Exhibit 452.322](#)).

The notice will explain the employee's procedural rights, including the right to petition the Postal Service ~~J~~udicial ~~O~~fficer for a hearing to challenge the existence or ~~the~~ amount of the debt or the Postal Service's proposed offset schedule. If the employee fails to petition the ~~J~~udicial ~~O~~fficer within the applicable time frames (see [452.336](#)) or to take other action to stay collection, the Eagan ASC will implement an appropriate salary offset no sooner than 30 days after the date of the notice.

452.322 Contents

The notice required by [452.321](#) must notify the employee of the following:

- a. The name, work address, and telephone number of the postmaster or installation head issuing the notice.
- b. The Postal Service's determination of the existence and amount of the debt.
- c. The nature of the debt.
- d. The Postal Service's intention to collect the amount due by offsetting 15 percent of the employee's "disposable pay" (or the alternative amount determined for a bargaining unit employee as provided in [462.42](#)) each pay period.
- e. The procedural rights available to the employee, as well as the appropriate method for requesting them.
These rights include an opportunity to:
 - (1) Obtain copies of Postal Service records relating to the debt.
 - (2) Avoid the need for involuntary offsets by paying the debt in full.

452.33 Procedures Governing the Exercise of Employee Rights

452.331 Employee Options

Employees may pursue as many ~~of the~~ options available to them as they wish. However, ~~ean~~ employees must submit ~~his or her~~ petition for a hearing on the Postal Service's determination of the existence or amount of a debt, or on the terms of the Postal Service's proposed repayment schedule, on or before the ~~fifteenth-15th~~ calendar day following the employee's receipt of the Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act. ~~If, after requesting a hearing, the~~ Employees ~~is~~ able to resolve the debt through another available option ~~after requesting a hearing~~, ~~the employee~~ may withdraw ~~his or her~~ their hearing petition, and the case may be dismissed.

452.332 Requests for Postal Records

If an employee wishes ~~to request~~ copies of ~~any~~ records, the ~~following procedures apply:~~ ~~employee and the postmaster or installation head proceed as follows:~~

- a. Employee Must Submit Request Submission. Within 10 calendar days after receiving notice of the Postal Service's intention to collect a debt through involuntary salary offsets and before any requested hearing is held, bargaining unit and nonbargaining unit employees have the following options:
 - (1) NA-nonbargaining unit employees — may request copies of any records he or she/they did not previously obtain under 452.241 related to the debt.
 - (2) BA-bargaining unit employees — may request copies of any records the employee/they or the employee's union did not previously obtain under 462.21.

Employees must make requests in writing for copies of postal records relating to an alleged debt in writing and direct the requests to the postmaster or installation head.
- b. Response Postmaster or Installation Head Must Respond. The postmaster or installation head must take care to respond expeditiously to records requests so as not to deprive an employee of the benefit of any information that might resolve questions relating to the debt. Once a request is received, the postmaster or installation head must do the following:
 - (1) Promptly request, as necessary, copies of the pertinent records by telephone from the Eagan ASC or appropriate postal facility.
 - (2) Provide the employee, within 5 calendar days of receiving the employee's request, with copies of all records requested.

452.333 Payment in Full

EAn employee-s who wishes to pay off an entire debt may do one of the following:

- a. Submit a check or money order to the postmaster or installation head for transmittal to the Eagan ASC within 10 calendar days after receiving written notice of the Postal Service's intention to collect the debt through involuntary salary offsets. EThe employees must do the following:
 - (1) Write his or her/their Employee-employee ID Number-number on the check or money order.
 - (2) Send the check or money order to the following address:
 USPS DISBURSING OFFICE
 2825 LONE OAK PKWY
 EAGAN, MN 55121-9640
- b. P-pay by credit or debit card. To pay by Creditcredit or /dDebit card, -you-employees must have a valid email address. Send and send an email with their Namenname, Employee-employee ID number#, ilnvoice #number and Total-total Amount amount to be paid to the following email address: YVVQJ0@usps.gov. You-The employee will then receive an -return email with a secure link to pay online. -Employees with questions about paying by credit or debit card may call the Financial Processing phone number at the top of the invoice.

If you have any questions about paying by Credit/Debit card, call the Financial Processing phone number at the top of the invoice.

452.334 Alternative Offset Schedule

If an-Eemployees who acknowledges the Postal Service's claim, but contends that the proposed deductions of 15 percent of disposable pay (or the alternative amount determined for a bargaining unit employees as provided-specified in 462.42) would be too severe, he or she may propose an alternative offset schedule. Procedures for submitting the proposal include the-and-proceed-as-followings:

- a. Proposal Contents. EThe employees must submit his or her/the proposed offset schedule to the district finance manager, along with a written statement and supporting documentation, stating and include in it the employee's reasons for believing the Postal Service's proposed deductions proposed by the Postal Service would result in a "severe financial hardship." The proposal must include:
 - (1) A written statement.
 - (2) Tthe amount total to be paid each pay period.
 - (3) Tthe number of pay periods it would take to required to repay the debt.
 - (4) -under the employee's proposal, T and (3) the date the first payment would be made.
 - (5) Supporting documentation. SThe supporting documents must also show the following information relating to the employee and his or her spouse and dependents, for the 1-year period preceding the Postal Service's notice and the repayment period proposed by-in the employee's alternative offset schedule:
 - (4a) Ttotal family income.
 - (b) Aassets, and liabilities.

(c) ~~N(2)~~ number of dependents.

 (d) ~~T; and (3)~~ total expenses for food, housing, clothing, transportation, medical care, and any exceptional expenses.

~~E~~The employees must ~~be instructed to~~ provide all information in ~~his or her~~their possession relating to the debt and ~~his or her~~their financial ability to repay it so that the district finance manager may make an informed decision on the employee's request.

b. *Time Frame.* ~~E~~The employees must submit ~~his or her~~their proposed alternative repayment schedule to the district finance manager within 5 days after receiving notice of the Postal Service's intention to collect an outstanding debt through involuntary salary offsets.

c. *Consideration.* Based upon the material submitted by the employee and postal records relating to the debt, the district finance manager must consider the following:

(1) ~~T~~The extent to which the assets of the employee and his or her spouse and dependents are available to meet their essential material expenses and to repay the postal debt.

(2) ~~w~~Whether the essential material expenses have been minimized as much as possible , and

(3) ~~T~~The extent to which the employee and his or her spouse and dependents can borrow to finance their essential expenses and to repay the debt.

The district finance manager ~~An should approve the~~ employee's alternative offset schedule ~~should be approved~~ only if it provides for installment payments that bear a reasonable relationship to the size of the debt and the employee's ability to pay. Generally, an alternative offset schedule should provide for installment payments of no less than 10 percent of disposable pay per pay period, and for a repayment period of 26 pay periods or less.

 d. *Notification.* The district finance manager must notify the employee in writing of his or her decision regarding the employee's proposed alternative offset schedule within 10 calendar days of receiving it from the employee.

 e. *Implementation.* The district finance manager and the employee must implement the terms of an acceptable alternative repayment agreement by completing the Employee Debt Modification Request form in eIWS OnLine forms. If necessary, this request form can be initiated with the local supervisor's or manager's assistance ~~of the~~ ~~local supervisor/manager.~~

452.335 Debt Collection Hearing

If an employee wishes to request a hearing, the employee and the Postal Service proceed as follows:

a. *Hearing Request.* If an employee desires a hearing prescribed by section 5 of the Debt Collection Act of 1982 on the Postal Service's determination of the existence or amount of the debt, or on the involuntary repayment terms the Postal Service proposed ~~by the Postal Service~~, the employee must file a written petition for a hearing in accordance with the requirements of 39 CFR 961.4. The employee must file the petition in one of the following ways:

(1) Electronically, using the ~~j~~Judicial ~~o~~Officer's electronic filing system at <https://uspsjoe.justware.com/justiceweb>.

(2) By hardcopy, mailed to the following address:

RECORDER
JUDICIAL OFFICER
US POSTAL SERVICE
2101 WILSON BLVD STE 600
ARLINGTON VA 22201-3078

The employee must file the petition on or before the ~~fifteenth~~ 15th calendar day following the employee's receipt of the *Notice of Involuntary Administrative Salary Offsets Under the Debt Collection Act*. The hearing procedures are ~~set forth~~ in 39 CFR Part 961, which ~~we the Postal Service have~~ incorporated herein by reference.

b. *Pre-Decision Responsibilities.* After an employee has requested a hearing, the general counsel notifies the appropriate postmaster or installation head, labor relations department, and the Eagan ASC of the filing. Upon notification, all collection activities must stop.

c. *Postdecision Responsibilities.* After an employee ~~has been accorded~~ is granted a requested hearing and a written decision has been rendered, the general counsel notifies the appropriate postmaster or installation head, district labor relations, and the Eagan ASC of the determination. If the hearing decision indicates that the employee is not indebted to the Postal Service, Eagan ASC must take the necessary steps to remove all references to the debt from the employee's records. However, if the decision authorizes the Postal Service to offset an employee's salary, the Postal Service must take steps to initiate the authorized offsets.

452.34 Employee Failure to Respond

If, upon receiving notice of the Postal Service's intention to collect a debt through involuntary salary offsets, the employee fails to repay the debt and does not request a hearing on the Postal Service's determination of the debt, the Postal Service will collect the debt by automatic payroll deductions at a rate of 15 percent.

452.4 Exceptions to Voluntary Repayment and Statutory Offset Procedures ~~Found in Sections 452.2 and 452.3~~

- a. The procedures governing the collection of postal debts contained in sections 452.2 and 452.3 do not apply to the following:
 - (1) Amounts to be collected that arose from the employee's election of coverage or change of coverage under a federal benefits program requiring periodic deductions from pay, and that were accumulated over four pay periods or less;
 - (2) Routine intra-agency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that have occurred within the four pay periods preceding the pay period in which the first adjustment is made, provided the individual is given notice in accordance with section 452.4b; or
 - (3) Any adjustment that amounts to \$50 or less, provided the individual is given notice in accordance with section 452.4b.
- b. At the time the first adjustment is made pursuant to as specified in section 452.4a2 and 452.4a-3, or as soon thereafter-afterward as practical, the Postal Service must provide the individual written notice of the nature and the amount of the debt and adjustments and a point of contact for contesting collection.

453 Court Judgment Salary Offsets

453.1 Authority

In accordance with section 124 of Public Law 97-276 (October 2, 1982), 5 U.S.C. 5514 note (1982), the Postal Service may deduct up to one-fourth (25 percent) of an employee's "current pay" in monthly installments or at officially established pay periods to satisfy a debt that a federal court determined by a federal court to be the employee owes to the Postal Service. The statute authorizes the deduction of a "greater amount" if necessary to collect the debt within the employee's anticipated period of employment. If an individual's employment ends before the full amount of the indebtedness has been collected, section 124 provides that deduction(s) will be made from later payments of any nature due the employee.

453.2 Applicable Collection Procedures

453.21 Notice

At least 15 calendar days before initiating an offset to collect a debt reflected by a federal court judgment, the postmaster or installation head must provide the employee with a copy of that judgment and a written notice of the Postal Service's intention to deduct 25 percent of the employee's current pay each pay period until the judgment is satisfied. The letter also must include a statement setting forth the approximate amount, duration, and starting date of the deductions. The Postal Service will deliver to the employee by trackable mail any notice required by, or any records requested pursuant to, these regulations to an employee by trackable mail.

453.22 Implementing Offsets

The postmaster or installation head must initiate the collection process by completing the appropriate sections of PS Form 3239, no earlier than 15 calendar days after the employee receives 's receipt of the letter.

454 Multiple Offsets

454.1 Administrative Salary Offsets

By statute, administrative salary offsets under section 5 of the Debt Collection Act of 1982 are limited to no more than 15 percent of an employee's disposable pay during any one pay period — whether the deductions are made to satisfy a debt owed the Postal Service or another federal agency, or some combination of these. Generally, priority among competing administrative salary offset requests is determined by the order in which they are received.

However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see 454.4). If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested, and the approximate date the requested offsets can be implemented.

454.2 Court Judgment Salary Offsets

No more than 25 percent of an employee's current pay may be withheld to satisfy a debt that a federal court determined by a federal court to be due the United States — whether the deductions are made to satisfy a debt owed the Postal Service or

another federal agency, or some combination of these. Generally, priority among competing court judgment salary offset requests is determined by the order in which they are received. However, a request to collect a debt due the Postal Service must be given priority over other government agency offset requests regardless of the date the postal offset request is received (see [454.4](#)).

If a collection request cannot be honored upon receipt, or can be honored only in part, the postmaster or installation head must notify the requesting postal or other government official, in writing, of the reasons for the delay or for the collection of a lesser amount than that requested, and the approximate date the requested offsets can be implemented.

454.3 Administrative and Court Judgment Salary Offsets

If the salary of a postal employee is the target of one or more of both types of offsets — administrative and court judgment — a combined total of no more than 25 percent will be withheld during any one pay period. However, in no case may the amount withheld in accordance with administrative salary offsets exceed 15 percent of the employee's disposable pay. As is generally the case with competing offsets of the same type and subject ~~as specified in to~~ [454.4](#), priority between administrative salary offsets and court judgment salary offsets is determined by the order in which they are received.

454.4 Priority of Postal Service Indebtedness

If a postal employee is indebted to the Postal Service, that debt takes priority over any debt ~~he or she~~ [the employee](#) may owe another federal agency, even if the other agency's request for salary offsets was received first. Accordingly, if both the Postal Service and another agency request the maximum allowable deductions, collection of the other agency's debt must be interrupted or postponed until the entire postal debt is recovered.

However, if an amount less than that requested by the other agency may be deducted in addition to the offsets requested by the Postal Service without exceeding the appropriate percentage ceiling, deductions for the lesser amount must be withheld and forwarded to the requesting agency along with an explanation for the smaller offsets.

454.5 Garnishments

Administrative salary offsets based on section 5 of the Debt Collection Act of 1982 and court judgment salary offsets based on section 124 of Public Law 97-276 are not, as a matter of law, considered garnishments. ~~Rather, if~~ For purposes of determining an employee's "disposable earnings" under the Federal Consumer Credit Protection Act, 15 U.S.C. 1671, et seq., these withholdings are considered to be amounts required by law to be deducted. Accordingly, they must be deducted before the applicable garnishment ceilings are imposed and before deductions for garnishments are made.

455 Action Upon Transfer or Separation

455.1 Withholding Funds ~~From from~~ Amount Due

If a Postal Service employee whose wages are subject to offset transfers to another federal agency or separates from employment, the Postal Service applies any amount due the employee at the time of his or her separation to the debt owed the Postal Service, subject to the requirements of 31 U.S.C. 3716 as outlined in [470](#) and [480](#), if appropriate. If the debt is still not satisfied, the Postal Service must take appropriate action as described in [455.2](#) or [455.3](#).

455.2 Transfer to Another Federal Agency

If a Postal Service employee whose wages are subject to offset transfers to another federal agency, and the full debt cannot be collected from amounts due the employee from the Postal Service, the following procedures apply:

- a. The Postal Service must request that the former employee's new agency continue to offset the debtor's salary until the debt is satisfied.
- b. The request must specify all of the following:
 - (1) Amount of the original debt.
 - (2) Amount collected by the Postal Service through salary offsets.
 - (3) Amount that remains to be collected.
 - (4) Percentage of the debtor's disposable earnings or current pay that must be deducted each pay period.
- c. ~~T~~[In addition,](#) the Postal Service must certify that the former employee has been accorded all due process rights to which he or she is entitled.
- d. When the Postal Service sends the request to the new employing agency, it must also send a copy to the former employee at his or her home address.

455.3 Collection of Debt Upon Separation

If the full debt cannot be collected from amounts due the employee at the time of his or her separation, the [financial processing branch](#) manager ~~of the Financial Processing Branch~~ must attempt to recover the debt from any retirement or

disability payments due the former employee in accordance with the provisions of 5 CFR 831, Subpart R, or 5 CFR 845, Subpart D, subject to the requirements of 31 U.S.C. 3716 as outlined in [470](#) and [480](#), if appropriate.