
31 C.F.R. § 5.12

How will Treasury entities offset a Federal employee's salary to collect a Treasury debt?

- (a) *Federal salary offset.* (1) Salary offset is used to collect debts owed to the United States by Treasury Department and other Federal employees. If a Federal employee owes a Treasury debt, Treasury entities may offset the employee's Federal salary to collect the debt in the manner described in this section. For information on how a Federal agency other than a Treasury entity may collect debt from the salary of a Treasury Department employee, see §§ 5.20 and 5.21, subpart C, of this part.
- (2) Nothing in this part requires a Treasury entity to collect a Treasury debt in accordance with the provisions of this section if Federal law allows otherwise. *See, for example,* 5 U.S.C. 5705 (travel advances not used for allowable travel expenses are recoverable from the employee or his estate by setoff against accrued pay and other means) and 5 U.S.C. 4108 (recovery of training expenses).
- (3) Treasury entities may use the administrative wage garnishment procedure described in § 5.13 of this part to collect a debt from an individual's non-Federal wages.
- (b) *Centralized salary offset through the Treasury Offset Program.* As described in § 5.9(a) of this part, Treasury entities will refer Treasury debts to the Financial Management Service for collection by administrative offset, including salary offset, through the Treasury Offset Program. When possible, Treasury entities should attempt salary offset through the Treasury Offset Program before applying the procedures in paragraph (c) of this section. See 5 CFR 550.1109.
- (c) *Non-centralized salary offset for Treasury debts.* When centralized salary offset through the Treasury Offset Program is not available or appropriate, Treasury entities may collect delinquent Treasury debts through non-centralized salary offset. *See* 5 CFR 550.1109. In these cases, Treasury entities may offset a payment internally or make a request directly to a Federal payment agency to offset a salary payment to collect a delinquent debt owed by a Federal employee. If the Federal payment agency is another Treasury entity, the Treasury entity making the request shall do so through the Deputy Chief Financial Officer as described in § 5.20(c) of this part. At least thirty (30) days prior to offsetting internally or requesting a Federal agency to offset a salary payment, Treasury entities will send notice to the debtor in accordance with the requirements of § 5.4 of this part. When referring a debt for offset, Treasury entities will certify to the payment agency, in writing, that the debt is valid, delinquent and legally enforceable in the amount stated, and there are no legal bars to collection by salary offset. In addition, Treasury entities will certify that all due process and other prerequisites to salary offset have been met. *See* 5 U.S.C. 5514, 31 U.S.C. 3716(a), and this section for a description of the due process and other prerequisites for salary offset.

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