
29 C.F.R. § 1650.110

Implementation of salary offset.

- (a) *Method of collection.* A debt will be collected in a lump sum or by installment deductions at officially established pay intervals from an employee's current pay account, unless the employee and the Commission agree in writing to alternate arrangements for repayment.
- (b) *Source of deductions.* Deductions will be made only from basic pay, special pay, incentive pay, retired pay, retainer pay or in the case of an employee not entitled to basic pay, other authorized pay.
- (c) *Duration of deductions.* Debts will be collected in one lump sum when possible to minimize interest costs and administrative processing fees for the employee. If the employee is financially unable to pay in one lump sum and the amount of debt exceeds 15 percent of the employee's disposable pay for an officially established pay interval, collection by offset will be made in installments. Such installment deductions will be made over a period not greater than the anticipated period of active duty or employment of the employee and, except in rare circumstances, not to exceed 3 years.

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