<table>
<thead>
<tr>
<th>PARAGRAPH</th>
<th>EXPLANATION OF CHANGE/REVISION</th>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>500104.A.1.</td>
<td>Redefined the processing categories of debts.</td>
<td>Update</td>
</tr>
<tr>
<td>500104.A.</td>
<td>Defined administrative debts at two-thirds of pay.</td>
<td>Update</td>
</tr>
<tr>
<td>500104.A.1.a.(2)</td>
<td>Defined due-process debts to include 20 percent rate of collection for debts due to no fault of the member.</td>
<td>Update</td>
</tr>
<tr>
<td>500104.A.1.a.(2)</td>
<td>Added change from 20 percent to 15 percent effective on or after October 29, 2009 in accordance with Fiscal Year (FY) 2010 National Defense Authorization Act (NDAA).</td>
<td>Update</td>
</tr>
<tr>
<td>500104.A.1.b</td>
<td>Defined Combat Zone/Combat Operation debts.</td>
<td>Update</td>
</tr>
<tr>
<td>500104.A.1.b</td>
<td>Added change in collection of debts incurred at no fault by the member if wounded, injured or ill while serving in a combat zone, in accordance with FY 2010 NDAA.</td>
<td>Update</td>
</tr>
<tr>
<td>500104.A.2</td>
<td>Defined collection of debts at separation.</td>
<td>Update</td>
</tr>
<tr>
<td>500104.A.2.a</td>
<td>Added reference to the appropriate rate of deduction from final separation pay.</td>
<td>Add</td>
</tr>
<tr>
<td>500104.B</td>
<td>Listed new address for forwarding debt paperwork.</td>
<td>Update</td>
</tr>
<tr>
<td>500104.B.3</td>
<td>Lowered dollar threshold for Routine Administrative Adjustment.</td>
<td>Update</td>
</tr>
<tr>
<td>Former 500109</td>
<td>Deleted paragraph 500109 on Bankruptcies.</td>
<td>Delete</td>
</tr>
<tr>
<td>500109</td>
<td>Renumbered paragraph 500110, “Pay Not Affected by Civil Process,” to 500109.</td>
<td>Update</td>
</tr>
<tr>
<td>Former 5002</td>
<td>Deleted section 5002 on “Legal Process for Enforcement of Child Support and Alimony Obligations.”</td>
<td>Delete</td>
</tr>
<tr>
<td>5002</td>
<td>Added new section, “Centralized Processing of Involuntary Withholding of Member Pay for the Services’ Exchange Commands,” from DoDFMR, Volume 7C, Chapter 8.</td>
<td>Update</td>
</tr>
</tbody>
</table>
SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7A, CHAPTER 50
“STOPPAGES AND COLLECTIONS OTHER THAN COURTS-MARTIAL
FORFEITURES”

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision

Hyperlinks are denoted by underlined, bold, italic, blue font

<table>
<thead>
<tr>
<th>PARAGRAPH</th>
<th>EXPLANATION OF CHANGE/REVISION</th>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Former 5003</td>
<td>Deleted section 5003 on “Involuntary Allotment of Pay for Enforcement of Commercial Debts” and renumbered sections 5004, 5005, 5007, and 5008.</td>
<td>Delete</td>
</tr>
<tr>
<td>500301</td>
<td>Revised authority for remission of indebtedness.</td>
<td>Update</td>
</tr>
<tr>
<td>500303.A</td>
<td>Added Table 50-2 for debts that may be remitted.</td>
<td>Update</td>
</tr>
<tr>
<td>5008</td>
<td>Added new “Bankruptcies” section.</td>
<td>Update</td>
</tr>
<tr>
<td>Table 50-1</td>
<td>Changed rule number 4 to number 6.</td>
<td>Update</td>
</tr>
<tr>
<td>Table 50-1</td>
<td>Added new rule number 4 and number 5 for debts due to no fault of the member.</td>
<td>Add</td>
</tr>
<tr>
<td>Table 50-6</td>
<td>Deleted duplicate Rule number 4.</td>
<td>Delete</td>
</tr>
<tr>
<td>Table 50-6</td>
<td>Added new rule number 5 for 20 percent collection for debts due to no fault of the member.</td>
<td>Add</td>
</tr>
<tr>
<td>Table 50-6</td>
<td>Added new rule number 6 for 15 percent collection for debts due to no fault of the member.</td>
<td>Add</td>
</tr>
<tr>
<td>Bibliography</td>
<td>Updated Bibliography.</td>
<td>Update</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

STOPPAGES AND COLLECTIONS OTHER THAN COURTS-MARTIAL
FORFEITURES

5001 Voluntary and Involuntary Collections

500101 Collection With Member’s Consent
500102 Collection Without Member’s Consent
500103 Limitation on Collections
500104 Installment Deduction for Indebtedness to the United States
500105 Interest, Penalties, and Administrative Costs
500106 Collection From Retired Pay
500107 Indebtedness Incurred in National Guard or Reserve
500108 Early Payment
500109 Pay Not Affected by Civil Process

5002 Centralized Processing of Involuntary Withholding of Member Pay for the Services’ Exchange Commands

500201 General Provisions
500202 Applicability and Scope
500203 General Procedures
500204 Certification
500205 System Overview

5003 Remission/Cancellation of Indebtedness

500301 Authority
500302 Restriction for Reserve Component Personnel
500303 Indebtedness Which May be Remitted
500304 How to Apply

5004 Appeals

500401 Right of Appeal
500402 Processing Appeals
500403 Claim for Refund

5005 Waiver of Claims for Erroneous Payments of Pay and Allowances

5006 Validation of Payments Based on Purported Marriages

500601 Authority for Validation
500602 Responsibility for Validation
500603 Payments Not Validated
TABLE OF CONTENTS (Continued)

STOPPAGES AND COLLECTIONS OTHER THAN COURTS-MARTIAL FORFEITURES

5007 Board of Correction of Military Records Offset

★5008 Bankruptcies

  500801 General Information
  500802 Chapter 7, Bankruptcy
  500803 Chapter 13, Wage Earner’s Plan Under the Bankruptcy Act
  500804 Procedures

★Table 50-1 Indebtedness Due to Erroneous Payments, GAO Disallowances, and Notices of Exception

Table 50-2 Indebtedness Due to Loss of Public Funds

Table 50-3 Indebtedness Due to Loss or Damage to Public Property or Supplies

Table 50-4 Miscellaneous Indebtedness to United States

Table 50-5 Indebtedness to Individuals and Government Instrumentalities and Agents

★Table 50-6 Rates of Collection

★Bibliography
CHAPTER 50

STOPPAGES AND COLLECTIONS OTHER THAN COURTS-MARTIAL
FORFEITURES

5001 VOLUNTARY AND INVOLUNTARY COLLECTIONS

500101. Collection With Member’s Consent. Members indebted to the United States will be encouraged to discharge their indebtedness through lump-sum cash payment when possible. When the amount of the debt relative to the member’s ability to repay indicates that lump-sum settlement would create financial hardship for the member, installment payments will be accepted. Members will be encouraged to voluntarily accept liability for their indebtedness and to agree to a repayment schedule which adequately protects the interests of both the United States and the member.

500102. Collection Without Member’s Consent

A. Current Pay

1. Current pay is available for repayment of an indebtedness without the member’s consent only if such recovery is authorized expressly by statute.

2. Where Tables 50-1 through 50-5 authorize collection to be made “involuntarily,” there is a statute authorizing such collection. When the indebtedness is a type for which there is no statute authorizing collection from pay, the tables authorize collection “with member’s consent.”

B. Final Pay. When a member receives final pay on separation, indebtedness to the United States may be collected under the general rule of offset without specific statutory authority, subject to the limitations in paragraph 500104.A.2 and Table 50-6. Under this rule, debts which may be collected from current pay only with the member’s consent may be collected from final pay and allowances without the member’s consent. Amounts owed to a Service relief society (i.e., Army Emergency Relief, the Navy Relief Society, the Air Force Aid Society, or the Coast Guard Mutual Assistance) also may be collected from final pay without the member’s consent (Title 37, United States Code (U.S.C.), section 1007(c) and (h)).

500103. Limitation on Collections

A. Current Pay. Some of the laws authorizing collection of indebtedness from a member’s pay impose restrictions on the amount that may be collected, on the items that may be collected, or on the items of pay from which collection may be made. These limitations are shown in Tables 50-1 through 50-6. When a member voluntarily authorizes collection, a rate of collection agreeable to the member and the disbursing officer is determined within guidelines shown in the referenced tables; however, collection in greater amounts may be authorized or requested by the member.
B. Final Pay. Table 50-6 shows which items of final pay and allowances are available for offset of debts. The items shown as not available are specifically exempted by statute.

C. Gross Pay. Compute gross pay by adding together basic pay, all special and incentive pays, and all reenlistment bonuses. Gross pay does not include allowances or reductions in pay, such as forfeitures and the Montgomery GI Bill.

D. Disposable Pay. Disposable pay, when used to calculate maximum allowable deduction, is computed by deducting the following from gross pay of active-duty members: Federal Insurance Contributions Act (FICA); Armed Forces Retirement Home; Federal Income Tax Withholdings (FITW); Servicemembers’ Group Life Insurance (SGLI) (including Family SGLI (FSGLI) and Traumatic SGLI (TSGLI)); and State Income Tax Withholdings (SITW). For reservists, the deductions to calculate disposable pay are: FICA; FITW; SITW; and SGLI (including FSGLI and TSGLI).

500104. Installment Deduction for Indebtedness to the United States. Statutory authority to collect indebtedness to the United States by deductions from the member’s pay exists under 37 U.S.C. 1007(c) and 5 U.S.C. 5514. Other statutes authorize collection of specific classes of debts. Debts administratively determined to be owed the United States or any of its instrumentalities, other than the Department of Defense (DoD), shall be collected under 5 U.S.C. 5514. Court judgments against a member in favor of the United States may not be collected under Public Law 97-276, October 2, 1982.

A. Collections Under 37, U.S.C., section 1007(c). This statute authorizes the deduction from a member’s pay of amounts that the Secretary of the Military Department concerned (or designee) administratively determines to be owed the United States or any of its instrumentalities. Pursuant to this section, two-thirds of the member’s disposable pay is the maximum amount that may be deducted from his/her monthly pay. Where a member of one Military Service owes a debt to another Military Service and the creditor Service makes an administrative determination of indebtedness, the creditor Service may forward that determination, along with a certification of compliance with the appropriate procedures set forth in this section, to the cognizant finance/disbursing activity servicing the member for collection action.

1. Categories of Debt

★ a. Due Process Debt. Administrative debts greater than $50 and any non-administrative debt regardless of amount requiring formal notification in the form of a due process letter from the servicing finance/disbursing office will be processed pursuant to subparagraph 500104.A.3.

★ (1) Fault of the Member. An overpayment of pay or allowances determined to be caused by fault of the member will be recovered in monthly installments not to exceed two-thirds of the member’s disposable monthly pay. The field office will initiate formal due-process notification to the member after receipt of a management notice
from the pay system and initiate debt collection based on an appropriate liquidation schedule. A greater percentage may be deducted with the member’s consent.

★ (2) No Fault by the Member. An overpayment of pay or allowances determined to be through no fault of the member will be recovered in monthly installments. For overpayments described in this subparagraph that are made on or after October 29, 2009, the Secretary concerned is required to provide a reasonable opportunity for the member to request a delay in the imposition of the repayment requirement to recover the overpayment. Before beginning collection efforts, the Secretary concerned shall consider the reasons provided by the member for the requested delay, including the financial ability of the member to repay the indebtedness, and the hardship that immediate collection would impose on the member and the member’s dependents.

(a) If overpayment was made to member on or before October 28, 2009, then the overpayment will be recovered in monthly installments not to exceed 20 percent of the member’s disposable pay for each month.

(b) If overpayment was made to member on or after October 29, 2009, then the overpayment will be recovered in monthly installments not to exceed 15 percent of the member’s disposable pay for each month.

NOTE: The field office will initiate formal due-process notification to the member after receipt of a management notice from the pay system, and initiate debt collection based on an appropriate liquidation schedule. A greater percentage may be deducted with the member’s consent.

★ b. Combat Zone/Combat Operation Debts. If a member of the Uniformed Services, through no fault of the member, incurs a wound, injury, or illness while in the line of duty in a combat operation or combat zone designated by the President or the Secretary of Defense, then any overpayment of pay or allowances made to the member while the member recovers from the wound, injury, or illness may not be deducted from the member’s pay until:

(1) The member is notified of the overpayment; and

(2) The later of the following occurs:

(a) The end of the 180-day period beginning on the date of the completion of the tour of duty of the member in the combat operation or combat zone.

(b) The end of the 90-day period beginning on the date of the reassignment of the member from a military treatment facility or other medical unit outside of the theater of operations.

However, after receiving notification of the overpayment, a member may request initiation of collection action at an earlier date. The field finance/disbursing office will determine the
appropriate rate of collection pursuant to subparagraph 500104.A.1.a.(2). See subparagraph 500104.A.3 for due-process procedures.

2. Collecting Debt from Final Separation Pay

   a. An amount due from an enlisted member of the Army or Air Force may be deducted from their final separation pay. The appropriate rate of collection in subparagraph 500104.A.1.a applies to collection from the member’s final separation payment.

   b. There is no limitation on the amount that may be deducted from an officer of any service or an enlisted member of the Navy or Marine Corps from their final separation pay.

3. Due-Process Procedures. Before initiating any collection action other than routine adjustments as defined in subparagraph 500104.B.3, the member shall be given at least 30 days written notice of the indebtedness. These procedures do not apply when the member has previously consented to collection of the debt. The notice shall stipulate:

   a. The nature and amount of the debt due the United States, and the intent to commence collection through deductions from pay.

   b. That the member has the opportunity to inspect and copy government records related to the debt.

   c. That the member has an opportunity for review of all the decisions related to the debt.

   d. That the member has an opportunity to enter into a written agreement with the Secretary of the Military Service concerned (or designee) under terms agreeable to both parties to establish a schedule for repayment of the debt.

   e. That any portion of the debt remaining uncollected at the time of the member’s separation shall be collected from the member’s final pay and allowances.

   f. That the member has the right to seek waiver or remission/cancellation of the debt, if appropriate.

**NOTE:** The procedures specified in subparagraph 500104.B.3 need not be completed prior to commencement of collection action if the time remaining before the member’s estimated date of separation is not sufficient to complete collection and the Government would be substantially prejudiced in its ability to collect the debt.
B. Collections Under 5 U.S.C. 5514

1. Heads of Federal Agencies. A Federal agency, other than the DoD, may determine that a military member is indebted to the United States and that collection action against the member’s monthly pay under the authority of 5 U.S.C. 5514 is warranted. In such case, the agency should forward the collection request to the following office:

Defense Finance and Accounting Service (DFAS)-Cleveland
DFAS-CL/JDCBB
1240 E. 9th Street
Cleveland, OH  44199-8002

2. Collections. May be made in monthly installments or at established pay intervals not to exceed 15 percent of disposable pay for any pay period, unless a greater percentage is authorized by written consent of the member. Unsatisfied debts at discharge or retirement shall be deducted from subsequent payments of any nature due the member. The collection of a debt owed to departments and agencies, other than DoD, its instrumentalities, or other Uniformed Services resulting from a court judgment, is included under this authority. The creditor agency is responsible for providing due process to member debtors and for certifying to the Secretary of Defense that due-process rights have been provided when requesting collection action.

3. Routine Administrative Adjustment. Routine administrative adjustments consist of administrative adjustments that correct overpayments resulting from clerical or administrative errors, delays in processing pay documents, or an automated pay system error, which is discovered and collected within no more than 2 monthly pay periods after the date of overpayment, or adjustments of $50 or less (regardless of when discovered or collected).

   a. The requirement for due process does not apply to routine administrative adjustments of pay. However, the member shall be provided with notice of adjustment when it is made, or as soon thereafter as practicable. The notice should provide a point of contact at the creditor agency for any questions or disputes the member may have.

   b. “No Pay Due” Notice. To prevent hardship to the member, a “no pay due” management notice will be generated to the servicing field office when a debt creates a “no pay due” situation for that member.

500105. Interest, Penalties, and Administrative Costs

A. With respect to collections other than routine adjustments, the Secretary of the Military Department concerned (or designee) shall charge a minimum annual rate of interest on an outstanding debt to the United States that is equal to the average investment rate for the Treasury tax and loan accounts for the 12-month period ending on September 30 of each year, rounded to the nearest whole percentage point.
B. Interest shall accrue from the date on which notice of debt and the interest requirements are first mailed or hand delivered to the debtor or such date as specified in the notice.

C. Interest may not be charged if the amount due on the claim is paid within 30 days after the date from which interest accrues in subparagraph 500105.B.

D. The Secretary concerned shall assess charges to cover administrative costs of processing and handling a delinquent debt.

E. A penalty charge not to exceed 6 percent a year shall be assessed for failure to pay a part of a debt more than 90 days past due. The charge will be calculated on the 91st day of delinquency, but shall accrue from the date the debt became delinquent.

F. Interest does not accrue on charges assessed under subparagraphs 500105.D and 500105.E. However, if the member defaults on a repayment agreement, then uncollected interest, administrative costs, and penalty charges shall be added to the principal to be repaid.

G. The Secretary concerned may prescribe regulations identifying circumstances appropriate to waiving collection of interest and charges under subparagraphs 500105.A, 500105.D, and 500105.E.

500106. **Collection From Retired Pay.** Conditions for collection of active-duty debts from retired pay are in **Chapter 28,** Volume 7B of this Regulation.

500107. **Indebtedness Incurred in National Guard or Reserve.** When a member reenters active military service, collect for unsatisfied indebtedness incurred in a National Guard or Reserve status.

500108. **Early Payment.** Payday payments made in advance in accordance with paragraph 320107 are not considered “indebtedness” if the member dies before the date through which the pay was computed and paid.

500109. **Pay Not Affected by Civil Process.** An officer or enlisted member may not be deprived of pay by civil process, except as follows:

   A. Garnishment for child support or alimony (see **Chapter 41**).

   B. Levy for delinquent Federal income taxes (see section 4102).

   C. Levy for child support (see **Chapter 41**).

   D. Statutorily required child or child-and-spousal support allotments (see **Chapter 41**).
5002 CENTRALIZED PROCESSING OF INVOLUNTARY WITHHOLDING OF MEMBER PAY FOR THE SERVICES’ EXCHANGE COMMANDS

★ 500201. General Provisions

A. Authority. Under 37 U.S.C. 1007(c) and regulations prescribed by the Secretary of the Military Department concerned, an amount that a member of the Uniformed Services is administratively determined to owe the United States or any of its instrumentalities may be deducted from the member’s pay in monthly installments. After the deduction of pay forfeited by the sentence of a court-martial, if any, or otherwise authorized by law to be withheld, the deductions authorized by this section may not reduce the pay actually received for any month to less than one-third of the pay.

B. Purpose. This section provides the policy and procedures for collecting in-service debts for the Army and Air Force Exchange Service (AAFES), the Navy Exchange Command (NEXCOM), and the Marine Corps Exchange Command (referred to collectively as “The Exchange Commands”). It applies when active-duty, Reserve, and retired military members are delinquent in repayment of a dishonored check or in their credit plan. Through an automated DD Form 139 (Pay Adjustment Authorization) process, DFAS deducts payment from these members.

C. Policy. When a member is indebted to a service exchange, under the authority of 37 U.S.C. 1007(c), the creditor agency (AAFES, NEXCOM, and Marine Corps Exchange) may forward to DFAS such determination. DFAS shall honor the request based on certification from the creditor that it complied with appropriate debt-collection procedures noted in subparagraph 500104.B. Under debt-collection procedures, if the debt has not been paid within 60 days after the date that the first notice is sent to the member, then the crediting agency may submit the debt for collection action to DFAS. The initiation of the pay deduction by DFAS will be in accordance with the rules of precedence of pay deductions and collections noted in Table 52-1.

★ 500202. Applicability and Scope

A. These procedures apply to the pay of Army, Navy, Air Force, and Marine Corps members serviced by the Defense Joint Military Pay System or the Marine Corps Total Force System.

B. DFAS shall collect the amounts requested on monthly submissions, as long as the total monthly amount collected, including the amounts collected under 5 U.S.C. 5514, does not exceed two-thirds of the member’s disposable pay. Monthly collection amounts are reduced when the pay due a member is insufficient to cover authorized deductions or collections. Debt collection is subject to the priority of deductions and collections presented in Table 52-1.

★ 500203. General Procedures

A. Exchange Commands must certify that the member was provided due
process in accordance with subparagraph 500104.A.3 and Table 50-5. Exchange Commands shall maintain “due process” documentation (demand letters) on individual delinquent debt accounts.

B. Collection of any portion of the debt remaining uncollected at the time of a member’s separation shall be subject to subparagraph 500104.A.2.

C. Exchange Commands may collect delinquent debts at a maximum deduction rate of two-thirds of the disposable pay.

D. When a member enrolls in a credit plan, the Exchange Command shall advise the member of the maximum deduction for delinquent accounts. DFAS or field finance/disbursing offices are responsible for ensuring that collections do not exceed two-thirds of the member’s disposable monthly pay.

E. DFAS or the field finance/disbursing office shall override the debt amount by inputting a transaction to change the deduction. This applies in cases where the repayment amount exceeds the maximum deduction limitation.

F. DFAS or the field finance/disbursing office shall answer inquiries from the member on how exchange debt transactions are reflected on the Leave and Earning Statement.

★ 500204. Certification

A. Exchange Commands will handle telephone inquiries from a member concerning his or her debts and deduction amounts.

B. Exchange Commands may not deduct from a member’s pay account money for a dishonored check written by a dependent without consent of the member.

C. Exchange Commands use a listing of basic pay rates plus income data received from the member to determine the amount that is equal to or less than two-thirds of the member’s pay.

D. If a member separates from active duty or if retired pay is suspended, then any uncollected amount is returned to the Exchange Commands for collection.

E. Exchange Commands are responsible for overpaid debts. When a member has overpaid a debt, the Exchange Commands shall issue a refund immediately to the member for the overpayment.

F. Exchange Commands will honor an agreement in which a member voluntarily agrees to repay the debt. If the member voluntarily repays the debt (off-line), then the Exchange Command cancels the offset request and notifies DFAS immediately.
G. For audit purposes, Exchange Commands will maintain and ensure the availability of all documentation pertaining to these debts.

500205. System Overview

A. Once a collection action is deemed necessary, the determining Exchange Command will transmit a monthly update transaction requesting a pay deduction. The input should be applied to the pay account in the appropriate sequence (see Table 52-1).

B. DFAS provides new basic pay rates or other pay data to the Exchange Command as it becomes available.

C. During a processing month, Exchange Commands submit the electronic pay-adjustment transaction, with name, Social Security Number, total debt, and the deduction amount for the month. Exchange Commands electronically submit the information in time to adjust in the payment processing update.

D. The Exchange Command input identifies the balance due and the monthly collection amounts. If the debt is collected off-line after submitting the input, then the exchange is responsible for the refund.

E. If the deduction amount input by the Exchange Command is greater than two-thirds, then DFAS or field finance/disbursing offices either change the deduction amount or return the debt to the Exchange Command to process. After the deduction is processed, DFAS notifies the Exchange Command of any adjustments.

F. The Exchange Command manages the entire debt amount internally. Exchange Commands are responsible for notifying the member of the debt balance and encouraging the member to voluntarily submit payments. DFAS provides management notices (listing) to the servicing finance/disbursing office, if applicable, which identifies the member’s pay account to which the deduction is charged.

G. Rejects are downloaded to the Exchange Commands after each update. Exchange Commands are required to work rejects on a daily basis.

H. At the end of each processing month, DFAS sites wire-transfer the amounts deducted via electronic funds transfer to a central processing location for each Exchange Command identifying the affected members.
5003 REMISSION/CANCELLATION OF INDEBTEDNESS

500301. **Authority.** If the Secretary of the Military Department considers it to be in the best interest of the United States, then the Secretary may remit or cancel any part of the indebtedness of a military member, to the United States, or any instrumentality of the United States that was incurred while the member was serving on active duty as a member of the applicable Military Department. This authority may be exercised with respect to any debt incurred on or after October 7, 2001.

500302. **Restriction for Reserve Component Personnel.** Remission/cancellation of indebtedness is not applicable for Reserve Component personnel performing inactive duty training or active duty for training, except as stated in subparagraph 500302.A and B.

   A. **Army.** An enlisted member of the Army National Guard who is charged with liability for government property that is lost, damaged, or destroyed on or after October 1, 1980, may have such liability remitted or cancelled under regulations prescribed by the Secretary of the Military Service concerned (or designee).

   B. **Air Force.** Any member of the Air National Guard (officer or enlisted member) who is charged with liability for government property that is lost, damaged, or destroyed on or after October 1, 1980, may have such liability remitted or cancelled under regulations prescribed by the Secretary of the Military Service concerned (or designee).

500303. **Indebtedness Which May Be Remitted**

   A. **Debts to United States.** Generally, any indebtedness may be considered for remission/cancellation (including those listed in Tables 50-1, 50-2, 50-3, and 50-4). Debts for erroneous payments may be processed for remission/cancellation if relief action has been denied under the appeal provisions referenced in section 5004 of this chapter; however, debts arising from erroneous payment of basic pay due to noncollection of courts-martial forfeitures may not be remitted or cancelled.

   B. **Debts Within Jurisdiction of Military Service Concerned.** The debt must be one over which the Military Department concerned has jurisdiction. For example, a Secretary of one Military Department may not remit a member’s indebtedness because of liability for damage to property of another Military Service.

500304. **How to Apply.** Process applicants for remission/cancellation of indebtedness as prescribed in procedural regulations of the Military Service concerned.
5004 APPEALS

500401. Right of Appeal. When it is established that a member is indebted to the United States because of an erroneous payment made by any Military Service within DoD, the member has the right to appeal. A member may appeal the validity of the debt, the amount, or the liability for that debt. A member may also request review of the rate of collection on the basis of undue hardship, or upon proof that the rate of collection is inequitable.


500403. Claim for Refund. A member may file a written claim for any amounts considered erroneously collected from the pay account. The claim is sent to the disbursing officer or, if separated, to the cognizant DFAS site. If the claim is denied, in whole or in part, then an appeal should be submitted to Defense Office of Hearings and Appeals under the procedures set forth at Title 32, Code of Federal Regulations (C.F.R.), Part 282, Appendix E.

5005 WAIVER OF CLAIMS FOR ERRONEOUS PAYMENTS OF PAY AND ALLOWANCES

When a member applies for waiver of a claim by the United States arising out of erroneous payments under 10 U.S.C. 2774, forward such applications to the cognizant DFAS site. Only the waiver application processing office, as designated by the directors of the DFAS sites, has authority to suspend collection action pending action on a waiver application under 10 U.S.C. 2774.

5006 VALIDATION OF PAYMENTS BASED ON PURPORTED MARRIAGES

500601. Authority for Validation. Payment of allowances based on a purported marriage and made under Title 37, United States Code, or prior laws, before the marriage is annulled or terminated, are valid if:

A. A court of competent jurisdiction adjudges or decrees that the military member entered the marriage in good faith.

B. In the absence of such judgment or decree, a finding of good faith is made by the Secretary of the Military Service concerned or a person designated by the Secretary of the Military Department concerned to investigate the matter.

500602. Responsibility for Validation. Findings of good faith under subparagraph 500601.B are submitted to the DFAS offices listed in the Joint Federal Travel Regulation (JFTR), subparagraph U10104.G.3, Member’s Marriage Status Determination. Purported marriages requiring such findings as listed in the JFTR, paragraph, U10104.G.
500603. Payments Not Validated. Payments based on invalid marriages are considered erroneous payments or overpayments unless validated.

5007 BOARD OF CORRECTION OF MILITARY RECORDS OFFSET

Earnings received from civilian employment, self-employment, or any income protection plan for such employment during any period for which active-duty pay and allowances are payable shall be deducted from the settlement. To the extent authorized by law and regulation, amounts found due shall be reduced by the amount of any existing indebtedness to the Government arising from military service.

5008 BANKRUPTCIES

500801. General Information

A. A member may file a petition of bankruptcy under 11 U.S.C., Chapters 7 or 13 of the Bankruptcy Code. The law waives the United States Government’s sovereign immunity for purposes of compliance with payroll deduction orders issued by the bankruptcy courts. Accordingly, DFAS will honor the bankruptcy orders.

B. When the amount of indebtedness owed to the United States is incurred prior to the filing date of the petition, the debt is termed pre-petition indebtedness. Such debt may be collected by offset from the member’s pay account only through the day prior to the date the bankruptcy petition is filed.

C. Continuing deductions from the member’s pay after the filing of a petition in a bankruptcy is improper and violates the automatic stay provisions of the bankruptcy statute. All voluntary deductions to liquidate the listed indebtedness must be discontinued promptly upon notice or actual knowledge of the filing of the bankruptcy petition. Amounts withheld after the date the bankruptcy petition is filed must be refunded to the member.

D. Upon notice or actual knowledge of the filing of a bankruptcy petition, when the member has listed the U.S. Government as a creditor, the military pay office will file a proof of claim with the Federal court concerned.

E. If the bankruptcy petition is approved and the list of debts discharged, then the listed indebtedness to the United States is discharged. The bankruptcy proceedings have no bearing on the liquidation of any new item of indebtedness discovered after the filing of a petition in bankruptcy and not included in the petition.

F. If the court subsequently dismisses a bankruptcy case, then collection is permitted by offset if otherwise authorized.
500802.  Chapter 7, Bankruptcy

A.  Upon notice or actual knowledge of the filing of a bankruptcy petition, when the debtor has listed the U.S. Government as a creditor, the DFAS-Cleveland Site, Garnishment Operations, will request that the appropriate pay office file a claim with the Federal court concerned, or

B.  If the bankruptcy petition is approved for discharge of debts, then the debts listed as indebtedness to the United States may be discharged. The bankruptcy proceedings usually will have no bearing on the liquidation of any new item of indebtedness incurred after the filing of a petition in bankruptcy and not included in the original bankruptcy petition.

500803.  Chapter 13, Wage Earner’s Plan Under the Bankruptcy Act

A.  A member may file a petition with the court to enter into a “Chapter 13 Plan” under the Bankruptcy Code. Under Chapter 13, a member must submit a proposed repayment plan to the bankruptcy court that provides, among other things, that all or a specified amount of future income as is necessary to pay priority claims under the plan will be sent to the control of the bankruptcy trustee.

B.  When the plan is confirmed by the court, its provisions are binding upon the member and all creditors of the member, regardless of whether they are affected by the plan or have been included in the plan.

C.  Once the bankruptcy court confirms a plan, it usually orders the employer to pay a specific amount of a member’s income to the trustee named in the order.

D.  The pay of a member is subject to payment to the trustee appointed by the court, pursuant to Chapter 13 of the Bankruptcy Act. The payment by DFAS of part of the member’s pay in response to a court order issued under a Chapter 13 Wage Earner’s Plan case does not violate 31 U.S.C. 3713 (Priority of Government Claims). Compliance with such a court order gives the Government a valid acquittance against the member since the court order is binding on the member.

E.  If the United States is both the employer and creditor when the member files a Chapter 13 Wage Earner’s Plan, then the Government’s priority under 31 U.S.C. 3713 (Priority of Government Claims) may be asserted in the absence of a judicial determination to the contrary. This is done through a filing of the proof of claim by the appropriate pay office.
500804. Procedures

A. Bankruptcy withholding orders should be submitted or faxed to:

   DFAS-Cleveland
   Garnishment Operations
   P.O. Box 998002
   Cleveland, OH 44199-8002

   Commercial Fax: (877) 622-5390
                    (216) 522-6960
   DSN Fax: 580-6960

B. The following information should be included with the bankruptcy order:

   1. Full name.
   2. Full Social Security number.

C. The bankruptcy notice is effective when it is signed by the court and the provisions of the automatic stay are effective with that date.

D. When the notice does not sufficiently identify the member, it will be returned directly to the person who submitted the order, with an explanation of the deficiency.

E. Upon receipt of an effective bankruptcy order, together with all the required information, the Garnishment Operations (office of the designated official) will review the case to determine if there are any involuntary allotments or garnishments that need to be terminated as a result of the automatic stay (child support, alimony, and child-support arrears are not terminated unless the bankruptcy order specifically states so). The Garnishment Operations will then establish the withholding against the member’s pay to comply with the bankruptcy order within 30 days. Withholdings will continue until the amount specified in the order is collected or the order is cancelled or suspended.

   1. Within 30 calendar days after the date of receipt of the order, the designated official will send notice to the member stating this fact.
   2. The letter will inform the member of the date that the withholding is scheduled to begin and the amount or percentage that will be deducted.
   3. When the member identified in the order is found not to be entitled to money due from, or payable by, DFAS, the designated official will return the order to the person who submitted it and advise him or her that no money is due from, or payable by, DFAS to the named individual. When it appears that amounts are exhausted temporarily or are otherwise unavailable, the authorized person shall be told why and for how long any money is unavailable, if known.
F. Proof of claims will be submitted by the appropriate pay office when the Government has a debt that can be properly collected under proof of claim.
The table presents the guidelines for handling indebtedness due to erroneous payments, GAO disallowances, and notices of exception. The table categorizes different cases and outlines the procedures to be followed, including the monthly rate of collection and the disposal of disposable pay. The table includes a footnote for officers or enlisted members recovering from specific injuries or illnesses, highlighting the exclusion of such cases from certain provisions.

**Table 50-1. Indebtedness Due to Erroneous Payments, GAO Disallowances, and Notices of Exception**

<table>
<thead>
<tr>
<th>Rule</th>
<th>Description</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Officer or enlisted member is indebted to the United States for payment disallowed by Government Accountability Office (GAO) or GC, DoD in accounts of a discharging or certifying officer.</td>
<td>Officer or enlisted member</td>
<td>any Military Service</td>
<td>Payment disallowed by GAO</td>
<td>Involuntarily (Note 1)</td>
<td>Disposal pay (see subparagraph 500103.D)</td>
<td>Table 50-6, rule 2.</td>
</tr>
<tr>
<td>2</td>
<td>Debt cited in GAO notice of exception or informal inquiries (Note 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Erroneous payment (including allotments the member knew or reasonably should have known were erroneous) made to or on behalf of the member of any Uniformed Service (Note 3)</td>
<td>Officer or enlisted member recovering from a wound, injury or illness incurred through no fault of the member in the line of duty in a combat operation or zone</td>
<td></td>
<td>Erroneous payment</td>
<td>The Secretary of the Military Department concerned or the Secretary’s designee has determined the indebtedness is valid</td>
<td>After a 90 day delay or member’s consent (see subparagraph 500104.A.1.b)</td>
<td>Table 50-6, rule 5.</td>
</tr>
</tbody>
</table>
### Table 50-1. Indebtedness Due to Erroneous Payments, GAO Disallowances, and Notices of Exception

(Continued)
### INDEBTEDNESS DUE TO LOSS OF PUBLIC FUNDS

<table>
<thead>
<tr>
<th>RULE</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>accountable officer (note 1)</td>
<td>the Armed Forces</td>
<td>arrears in accounts because of failure to account for funds entrusted to the member</td>
<td>debt is admitted by officer (note 4)</td>
<td>involuntarily</td>
<td>at monthly rate not to exceed that shown in this table or in rule cited</td>
</tr>
<tr>
<td>2</td>
<td>any Military Service</td>
<td>debt is shown by the judgment of a court</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>accountable enlisted member (note 2)</td>
<td>public funds obtained or converted to own use through fraud, larceny, embezzlement, or other unlawful means</td>
<td>the misappropriation of funds is admitted by the member</td>
<td>involuntarily, or as prescribed by regulations of the Military Department concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>officer or enlisted member</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:**

1. Applies to officers who hold in trust sums or balances of public money for which they are required to account, such as disbursing officers and deputies or agents to disbursing officers.

2. Applies to enlisted members who are entrusted with public funds. It includes military postal clerks and members who, though not bonded, are entrusted with public funds for small purchases.

3. If exact amount of debt is not known at the time the loss is discovered, then establish the debt at the amount then known and adjust when investigation is completed.

4. A mere acknowledgment or report of a shortage in accordance with Military Service regulations is not an admission for the purpose of this rule. The phrase “debt is admitted” means either a written statement made by the accountable officer admitting indebtedness, acknowledged or witnessed before a person authorized to administer oaths or, another person designated by higher authority, or if the accountable officer refuses to sign a statement, then a certification by a commissioned officer that the accountable officer clearly and unequivocally admitted the indebtedness is sufficient to authorize the withholding from officer’s current pay.

---

**Table 50-2. Indebtedness Due to Loss of Public Funds**
### INDEBTEDNESS DUE TO LOSS OR DAMAGE TO PUBLIC PROPERTY OR SUPPLIES

<table>
<thead>
<tr>
<th>RULE</th>
<th>If</th>
<th>of</th>
<th>is indebted to the United States for</th>
<th>and</th>
<th>and</th>
<th>then collect from current pay</th>
<th>at monthly rate not to exceed that shown in this table or in rule cited</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>an accountable officer</td>
<td>the Army or Air Force</td>
<td>loss or damage to military supplies, upon final settlement of accounts of officer charged with issue of the supplies</td>
<td>the officer fails to show satisfactorily that the loss or damage of property was not due to any fault on the officer’s part</td>
<td>the officer is found pecuniarily liable by a report of survey or by a board of officers, and findings are approved by the Secretary concerned</td>
<td>involuntarily disposable pay (see subparagraph 500103.D).</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>the Navy or Marine Corps</td>
<td>loss or damage to public property entrusted to the officer, such as stores, supplies and receipts from sale of public property</td>
<td>the Commander, Naval Supply Systems Command or the Commandant of the Marine Corps (Installation and Logistics) renders determination</td>
<td>disposable pay (see subparagraph 500103.D) or lesser amount approved by the Assistant Secretary of the Navy (Financial Management and Comptroller) or the Commandant of the Marine Corps.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>an officer or enlisted member</td>
<td>the Army or Air Force</td>
<td>damage or cost of repairs to arms or equipment</td>
<td>the member had the care of, or was using the property when damaged</td>
<td>negligence or abuse in care or use of property is established by a board of officers or on a report of survey, and findings are approved by Secretary concerned</td>
<td>disposable pay (see subparagraph 500103.D).</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>a non-accountable officer or enlisted member</td>
<td>any Uniformed Service</td>
<td>loss of or damage to government property</td>
<td>liability is established under regulations of the Military Service concerned</td>
<td>case is not within the scope of rule 3</td>
<td>Table 50-6, rule 2.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>an officer or enlisted member</td>
<td>Armed Forces</td>
<td>damage to or failure to satisfactorily clean assigned housing or damage to or loss of equipment or furnishings of such housing</td>
<td>the damage, loss or requirement for cleaning was caused by the abuse or negligence of the member, the member’s dependent(s) or a guest of either the member or the member’s dependent(s)</td>
<td>the negligence or abuse is established by administrative determination under regulations of the Military Service concerned.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 50-3. Indebtedness Due to Loss or Damage to Public Property or Supplies
<table>
<thead>
<tr>
<th>RULE</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>an enlisted member</td>
<td>enlistment or reenlistment bonus for period unserved</td>
<td>involuntarily</td>
<td>Table 50-6, rule 2.</td>
</tr>
<tr>
<td>2</td>
<td>an officer or enlisted member</td>
<td>unpaid hospital bills for medical services furnished a dependent</td>
<td>involuntarily or pursuant to Military Service regulations</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>excess cost of shipment of household goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>a medical officer</td>
<td>compensation or stipend payments received from state, county, municipal, or privately owned hospitals for medical service</td>
<td></td>
<td>amount received.</td>
</tr>
<tr>
<td>5</td>
<td>an officer or enlisted member</td>
<td>jury duty fees (as distinguished from expenses) from any court, except while on authorized leave, and receiving active duty pay and allowances</td>
<td>involuntarily</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>amount due the DoD, its instrumentalities, or other Uniformed Services by reason of court judgment</td>
<td></td>
<td>Table 50-6, rule 2.</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>a debt determined valid from a federal agency outside DoD or other Uniformed Service including debts resulting from court judgments</td>
<td></td>
<td>Table 50-6, rule 3.</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>a travel advance in excess of entitlements (note)</td>
<td>involuntarily or pursuant to Military Service regulations</td>
<td>Table 50-6, rule 2.</td>
</tr>
</tbody>
</table>

**NOTE:**
If the member has not filed a claim on a timely basis as defined by Military Service regulations, then the entire amount of the advance is considered to be in excess of entitlements.

**Table 50-4. Miscellaneous Indebtedness to United States**
<table>
<thead>
<tr>
<th>RULE</th>
<th>If</th>
<th>of</th>
<th>is indebted to</th>
<th>for</th>
<th>and</th>
<th>then collect from current pay</th>
<th>at monthly rate not to exceed that shown in this table or in rule cited</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>an officer or enlisted member</td>
<td>any Military Service</td>
<td>any person</td>
<td>willfully damaging or wrongfully taking property of that person</td>
<td>the commander has convened a board to investigate complaint, and board has assessed damages, and commander has approved an amount of assessment involuntarily</td>
<td>amount approved by commander not to exceed disposable pay (see subparagraph 500103.D).</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>member’s spouse, former spouse or child</td>
<td>court ordered child support or alimony</td>
<td>(see Chapter 41, section 4102)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>the Army or Air Force</td>
<td>a commissary</td>
<td>an uncollectible check which member or member’s authorized agent has issued or endorsed to the commissary (notes 1 and 3)</td>
<td>disposable pay (see subparagraph 500103.D).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>the Navy or Marine Corps</td>
<td>other appropriated fund activity or office</td>
<td>involuntarily or pursuant to Military Service regulations</td>
<td>Table 50-6, rule 2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>the Armed Forces</td>
<td>an uncollectible check endorsed or issued by member or member’s agent (note 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>any Military Service</td>
<td>any indebtedness by member or member’s agent</td>
<td>the custodian of the nonappropriated fund instrumentality has tried all means for direct collection from member, and a request has been sent to member’s commander for assistance in obtaining direct payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>the Internal Revenue Service</td>
<td>delinquent income taxes or court ordered child support (note 2)</td>
<td>IRS Notice of Levy is served</td>
<td>(see Chapter 41, section 4103 and Chapter 41, section 4102).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 50-5. Indebtedness to Individuals and Government Instrumentalities and Agents
### Table 50-5. Indebtedness to Individuals and Government Instrumentalities and Agents (Continued)

<table>
<thead>
<tr>
<th>RULE</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>an officer or enlisted member</td>
<td>any Military Service</td>
<td>a military banking facility overseas</td>
<td>an uncollectible check endorsed or issued by the member or a defaulted loan made to the member</td>
<td>military banking facility overseas has complied with required procedures</td>
<td>involuntarily</td>
<td>Table 50-6, rule 2.</td>
</tr>
</tbody>
</table>

#### NOTES:

1. Generally, an agent is one who has been given a power of attorney by the member.
2. Upon certification from Department of Health and Human Services to the Department of the Treasury, an Internal Revenue Service Notice of Levy may be issued for delinquent child support. (See Chapter 41, section 4103 of this volume)
3. Effective February 1, 1999, collection of dishonored checks written by the member or the person who presented the check based upon their status and relationship to the member as well as costs associated with that check may be collected involuntarily.
### Table 50-6. Rates of Collection

<table>
<thead>
<tr>
<th>RULE</th>
<th>IF</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>officer or enlisted member of any Military Service</td>
<td>is indebted for</td>
<td>court-ordered child support or alimony and garnishment or attachment of pay is directed by court order</td>
<td>then the Military Service may authorize or approve liquidation by monthly installments that</td>
<td>and if debt remains at time of separation, collect from final pay</td>
<td>and if total debt is not liquidated from final pay, establish collection from</td>
</tr>
<tr>
<td>2</td>
<td>an administratively determined indebtedness to the United States or its instrumentalities</td>
<td>unpaid pay and allowances, separation payments under Chapter 35, (except donation); Reservists’ Involuntary Separation Payment; amounts deducted for United States savings bonds including undelivered bonds; separation travel allowance for officers; reimbursement for transportation of household goods, dislocation and trailer allowance (for enlisted members, do not collect from separation travel allowance, or donation on discharge). If member is retiring, then see paragraph 500106 (notes 1, 2, 5 and 6)</td>
<td>as directed by court order or pay in new enlistment and limited by Chapter 41, paragraph 410106.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>an administratively determined indebtedness to the United States excluding the DoD and its instrumentalities or other Uniformed Services</td>
<td>do not exceed 15 percent of disposable pay for that month (see subparagraph 500104.B)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 50-6. Rates of Collection**

50-27
### Table 50-6. Rates of Collection (Continued)

<table>
<thead>
<tr>
<th>RULE</th>
<th>IF</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>an officer or enlisted member of any Military Service</td>
<td>is indebted for</td>
<td>any indebtedness incurred on or after December 4, 1987, to a Service relief society, (Army Emergency Relief, Air Force Aid Society, Navy Relief Society, or Coast Guard Mutual Assistance)</td>
<td>then the Military Service may authorize or approve liquidation by monthly installments that</td>
<td>and if debt remains at time of separation, then collect from final pay</td>
<td>and if total debt is not liquidated from final pay, then establish collection from</td>
</tr>
<tr>
<td>5</td>
<td>an overpayment of pay or allowances through no fault of the member (for overpayments made on or after October 17, 2006 through October 28, 2009)</td>
<td>do not exceed 15 percent of disposable pay for that month</td>
<td>involuntarily or pursuant to Military Service regulations (note 3)</td>
<td>retired pay (see paragraph 500105) or pay in new enlistment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>an overpayment of pay or allowances through no fault of the member (for overpayments made on or after October 29, 2009)</td>
<td>do not exceed 15 percent of disposable pay for that month.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTES:**

1. For Army and Air Force enlisted members do not exceed the maximum limitation specified in subparagraph 500104.A. This limitation does not apply to enlisted members whose accounts are being settled on discharge for fraud, desertion, or because of mental incompetence.
2. For enlisted members, travel allowances remaining due after the completion of separation travel may be collected.
3. Do not exceed maximum limitation specified in subparagraph 500104.A.1.a.
4. In unusual circumstances, the initiation of collection action of travel advances pursuant to a consent agreement may be delayed if the delay is approved by the Director, Defense Finance and Accounting Service (or designee). However, the repayment period shall, in all cases, be scheduled to repay the advance before the member's expected date of separation.
5. For members transferring to the Retired Reserve and receiving Reservists' Special Separation Pay (RSSP), the entire amount of the RSSP payment(s) is available for offset.
6. If indebtedness is a result of an unfulfilled bonus agreement, and separation is under the Special Separation Benefit (SSB) or Voluntary Separation Incentive (VSI) program, then see subparagraph 350702.F for SSB or 350802.D for VSI.
CHAPTER 50 – STOPPAGES AND COLLECTIONS OTHER THAN COURTS-MARTIAL FORFEITURES

5001 – VOLUNTARY AND INVOLUNTARY COLLECTIONS

500102.A.1  23 Comp Gen 555, 911
             Dig Op JAG 1912-40, section 1520a, p715
             3 Dig Ops, Pay and Allowances, section 101.1
500102.A.2  37 U.S.C. 1007(c)
500102.B     Public Law 100-180, section 633,
              December 4, 1987
500103.C     5 U.S.C. 5514
500104 and 500104.A  MS Comp Gen B-230865, October 17, 1990
★ 500104.A.1  37 U.S.C. 1007(c)
★ 500104.A.1.d(2)  31 U.S.C. 3716
                     64 Comp Gen 907 (1985)
500104.A.2  Public Law 100-180, section 633,
             December 4, 1987
★ 500104.A.3  37 U.S.C. 1007(c)
500104.B     5 U.S.C. 5514
500104.B.3  5 U.S.C. 5514, as amended by Public Law 104-134,
             section 301, April 26, 1996
500105      31 U.S.C. 3717
500106      5 U.S.C. 5514
500108      37 U.S.C. 1106(g)
500109      Bankruptcy Reform Act of 1978
500110      Dig Ops 1912, p78
             42 U.S.C. 659
★ 500110.E  Public Law 103-94, section 9, October 6, 1993

★ 5002 – CENTRALIZED PROCESSING OF INVOLUNTARY WITHHOLDING OF MEMBER PAY FOR THE SERVICES’ EXCHANGE COMMANDS

500201      37 U.S.C. 1007(c)
500202      5 U.S.C. 5514

5003 – REMISSION/CANCELLATION OF INDEBTEDNESS

★ 500301  Public Law 109-163, section 683, January 6, 2006
                  Public Law 109-364, section 673, October 17, 2006
★ 500302  Public Law 96-328, August 8, 1980
             ASD(M&RA) Memo, March 12, 1982
             32 U.S.C. 710
500303.A  35 Comp Gen 421

50-29
5004 – APPEALS

500403  4 GAO 5.1

5005 – WAIVER OF CLAIMS FOR ERRONEOUS PAYMENTS OF PAY AND ALLOWANCES

500501  10 U.S.C. 2774(a)(2) as amended by Public Law 102-190, section 657, December 5, 1991
          32 U.S.C. 716

5006 – VALIDATION OF PAYMENTS BASED ON PURPORTED MARRIAGES

500601  37 U.S.C. 423

5008 – BANKRUPTCIES

500803.D  31 U.S.C. 3713
500803.E  31 U.S.C. 3713

Table 50-1

    Rule 1  5 U.S.C. 5513
    Rule 3  5 U.S.C. 5514
    ★ Rule 4  37 U.S.C. 1007
    ★ Rule 5  37 U.S.C. 1007
    Rule 6  31 U.S.C. 3727
           37 U.S.C. 701(d)
    Rule 14  IRS Ltr, February 18, 1993
    Notes 11, 12  IRS Ltr, February 18, 1993

Table 50-2

    Rules 1, 2, & 3  5 U.S.C. 5512
           37 U.S.C. 1007(a)
           Dig Op JAG 1912-40, section 1516(1), p711
           42 Comp Gen 83
   Rule 4  5 U.S.C. 5512
   Rule 5  37 U.S.C. 1007(c)

Table 50-3

    Rule 1  37 U.S.C. 1007(f)

50-30
Rule 2     31 U.S.C. 3531
Rule 3     37 U.S.C. 1007(a)
Rule 4     37 U.S.C. 1007(c)
DOD(C)/MS Memo, March 28, 1991
DoD 7200.10-M
Rule 5     10 U.S.C. 2775
Rule 6     10 U.S.C. 2775

Table 50-4
Rules 1 and 2 37 U.S.C. 1007(c)
Rule 3     5 U.S.C. 5724
Rule 4     30 Comp Gen 246
32 Comp Gen 454
37 Comp Gen 29
Rule 5     62 Comp Gen 39
Rule 6     MS Comp Gen B-230865, October 17, 1990
Rule 7     5 U.S.C. 5514
Rule 8     37 U.S.C. 1007(c)

Table 50-5
Rule 1     10 U.S.C. 939
Rule 2     42 U.S.C. 659
Rule 3     37 U.S.C. 1007(b) & (g)
Public Law 105-261, section 364, October 17, 1998
DFAS-HQ/FCD Memo, March 11, 1999
Rule 4     PL 105-261, section 364, October 17, 1998
DFAS-HQ/FCD Memo, March 11, 1999
Rule 5     37 U.S.C. 1007(c)
Rule 6     26 U.S.C. 6305(a)

Table 50-6
Rule 1     42 U.S.C. 659
Rule 2     37 U.S.C. 1007(c)
39 Comp Gen 46
34 Comp Gen 164
Rule 3     5 U.S.C. 5514
Rule 4     Public Law 97-276, section 124, October 2, 1982
★ Rule 5    Public Law 111-84, section 661, October 28, 2009
★ Rule 6    Public Law 111-84, section 661, October 28, 2009
Note 2     65 Comp Gen 497
Note 4     DFAS General Counsel Memo, September 25, 1992
Note 6     Public Law 103-139, section 8127,
            November 11, 1993

50-31