National Finance Center
Customer Notification

2015 Year-End Salary Offset Tax Issue

December 23, 2015

Dear Customer,

This is a final reminder to agency personnel that bills established in calendar year 2015 related to gross income adjustments should be paid in full by December 31, 2015. If the debt is not paid in full by that date, the outstanding amount of the debt will be added to the gross income amount on the employee's W-2 at year-end.

Year-end processing for W-2s begins on December 19, 2015. Therefore, payment must be received by The National Finance Center (NFC) no later than December 14, 2015. Payments received by NFC after December 14, 2015, but not later than December 31, 2015, will be processed and a 2015 W-2C will be issued to the employee(s).

Please refer to the attached document for additional information.

If you have any questions regarding this notification, your Servicing Personnel Office may contact NFC's Contact Center at 1-855-632-4468; Option 3.

Attachment:

ABCO Year-End Insert

U.S. Department of Agriculture
National Finance Center

Government Employee Services Division
Government Insurance and Collections Directorate
Debt Management Services Branch
P.O. Box 61765
New Orleans, LA 70161

Year-End Salary Offset Tax Issue

This document is to remind agency personnel that bills established in calendar year 2015 **related to gross income adjustments** should be paid in full by December 31, 2015, to avoid negative tax consequences. It is also to serve as a reminder that bills impacting gross income should **not** be established at or near the end of the calendar year where possible. (Bills established for FEHB (Federal Employees Health Benefits) premiums generally have no gross income implications.)

Since the year end processing for W-2s begins on December 19, 2015, **those employees who received a "Demand Notice for Payment" related to gross income adjustments need to be aware that if the debt is not paid in full by December 14, 2015, the outstanding amount of the debt will be added to the gross income amount on their W-2 at year-end.** This is necessary since the gross overpayment and all deductions were removed from the employee's W-2 in the pay period that the debt was processed. This adjustment to the W-2 is necessary to comply with Internal Revenue Service regulations.

If, after discussing the information above with your employees, some employees wish *to have offsets taken from their salary*:

(1) In an earlier pay period than that for which it is scheduled, or
(2) For the full amount of the outstanding debt.

The Servicing Personnel Office should submit the request to NFC **on or before December 14, 2015**, through the Requester Console or email the request to NFCCONTACTCENTER@nfc.usda.gov

(3) If the employee wishes to *write a check for the full amount of the outstanding debt*, the check must be **received by NFC on or before December 14, 2015.** Note: If the check is received by NFC **after December 14, 2015 but not later than December 31, 2015**, a correction will be made and a 2015 W-2C will be issued to the employee(s).

Checks should be mailed to the following address:

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

Please instruct the employee to **include the Debtor Number and the Bill Number** with the check.

Personnel offices may contact the National Finance Center's Contact Center at 1-855-632-4468; Option 3, with any questions regarding this notice.