

## Administrative Billings and Collections System - First Reminder

November 15, 2017

Dear Customer:

This is a follow up to the notification sent on October 31, 2017. Bills established in calendar year 2017 related to gross income adjustments should be paid in full by December 31, 2017. 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 16, 2017. Therefore, payment must be received by The National Finance Center (NFC) no later than December 11, 2017. Payments received by NFC after December 11, 2017, but not later than December 29, 2017, will be processed and a 2017 W-2C will be issued to the employee(s).

Please refer to the attached NFC bulletin for additional information.

Federal employees with questions concerning this notification should contact their Servicing Personnel Office. Authorized agency representatives with questions concerning this notification should contact NFC's Contact Center at either 1-855-632-4468; via email to NFCcontactcenter@nfc.usda.gov or via the ServiceNow Customer Service Portal (CSP).

Attachment



## **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 Reminder

This bulletin is to remind agency personnel that bills established in calendar year 2017 **related to gross income adjustments** should be paid in full by December 31, 2017, to avoid negative tax consequences. Bills established for premiums for FEHB (Federal Employees Health Benefits) will have no gross income implications, if being garnished as a pre-tax benefit.

Since the year end processing for W-2s begins on December 16, 2017, those employees who received a "Notice of Intent to Offset Salary and Repayment Agreement" related to gross income adjustments need to be aware that if the debt is not paid in full by December 11, 2017, 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. Consequently, if possible, bills impacting gross income should not be established at or near the end of the calendar year.

After discussing the information above with your employees, some may wish to have offsets taken from their salary as follows:

- (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 <u>on or before</u> <u>December 11, 2017</u>, through the ServiceNow Customer Service Portal (CSP) or email the request to NFCCONTACTCENTER@nfc.usda.gov.

(3) Employees can also submit an electronic payment via Pay.gov on or before December 11, 2017

Log on to PAY.gov at https://pay.gov.

Type NFC in the Search box and press Search button.

At Search Results press applicable Form button for USDA National Finance Center Debt Collection Form for **NON-IRS Employees only** or **IRS Employees Only**.

(4) 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 11, 2017. Note: If the check is received by NFC after December 11, 2017 but not later than December 29, 2017, a correction will be made and a 2017 W-2C will be issued.

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 8; via email to NFCCONTACTCENTER@nfc.usda.gov or via the ServiceNow CSP with any questions regarding this notice.