

Office of Personnel Management
Retirement and Insurance Group



1920



1954



1959



1986

Benefits Administration Letter

Number: 95-206

Date: January 25, 1995

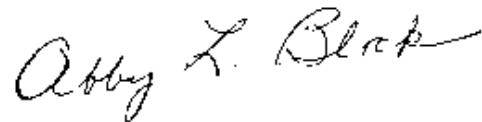
SUBJECT: Notifying FEHB Carriers They May Garnish Enrollees' Wages

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- A. Legal Authority to Garnish Employees' Wages** Section 9 of Public Law 103-94 (5 U.S.C. § 5520a) requires the Federal Government to honor commercial garnishments. The Office of Personnel Management (OPM) issued implementing regulations for most of the Executive Branch in 5 CFR Part 582 (see attached Federal Register excerpt dated March 29, 1994, 59 FR 14541).
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- B. Notification of FEHB Carriers** You are probably already aware of this garnishment authority and have probably already received garnishment orders from commercial firms. However, this authority has not previously been used by the health plans in the Federal Employees Health Benefits (FEHB) Program. We have notified FEHB plans that they may use this garnishment authority to collect debts owed by employees enrolled in their plans (see attached FEHBP All Carrier Letter). These debts would include the nonpayment of deductibles and copayments and other instances in which the enrollee owes money to the plan (such as collection of a previous overpayment by the plan). We wanted to let you know that FEHB plans will be using this authority.
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**C. Effect of
Garnishment
on the
Withholding of
FEHB and
FEGLI premiums**

The attached regulations specify what portion of an employee's wages are subject to garnishment. Deductions for FEHB premiums and Basic Life insurance premiums are protected from garnishment. However, deductions for optional FEGLI insurance are not protected from garnishment. Therefore, it may be necessary on occasion to counsel certain employees that their optional insurance may be administratively terminated if there is insufficient pay to deduct premiums and this scenario is expected to continue for six months or more.

2 Attachments



Abby L. Block, Chief
Insurance Policy
and Information Division

Page: 59 FR 14541 No. 60 3/29/94

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 582

RIN 3206 - AF83

Commercial Garnishment of Federal Employees' Pay

AGENCY: Office of Personnel Management.

ACTION: Interim rule with request for comments.

SUMMARY: The Office of Personnel Management (OPM) is issuing interim regulations to implement the commercial garnishment of Federal employees' pay. This part provides procedures and guidance for Executive Branch agencies of the Federal Government to process commercial garnishment orders, including tax levies from State and local governments.

DATES: Comments should be received by (30 days after the date of publication).

ADDRESSES: Send or deliver comments to Lorraine Lewis, General Counsel, Office of Personnel Management, Room 7355, 1900 E Street, NW., Washington, DC 20415.

FOR FURTHER INFORMATION CONTACT: Murray M. Meeker, Attorney, Office of the General Counsel, (202) 606-1920.

SUPPLEMENTARY INFORMATION: On October 6, 1993, Congress enacted section 9 of Public Law 103-94 which waived the Federal Government's sovereign immunity to permit compliance with garnishment orders for commercial debts. On February 3, 1994, the President signed Executive Order Number 12897 which delegated responsibility to OPM to issue implementing regulations for most of the Executive Branch. These regulations are in accordance with this delegation of authority. OPM anticipates that in most instances, agents previously designated to receive garnishment orders based on obligations for child support and/or alimony will be similarly designated to receive commercial garnishment orders. OPM requests that in addition to providing comments concerning these proposed regulations, agencies advise OPM if they would prefer to designate different agents to receive commercial garnishment orders. Because the commercial garnishment provisions in Public Law 103-94, section 9, became effective on February 3, 1994, OPM believes that it is important to issue these regulations as an interim rule with an immediate effective date. OPM believes that the need for immediate implementing regulations to facilitate the processing of and compliance with commercial garnishment orders both justifies and necessitates

publication without a Notice of Proposed Rulemaking as would ordinarily be provided pursuant to 5 U.S.C. 553(b)(A). For these same reasons, OPM believes that a delayed effective date is not required pursuant to 5 U.S.C. 553(d)(2). OPM will, however, consider any public comments before issuing a final rule.

REGULATORY FLEXIBILITY ACT

I certify that these regulations will not have significant economic impact on a substantial number of small entities because their effects are limited to Federal employees and their creditors.

E.O. 12866, REGULATORY REVIEW

This rule has been reviewed by the Office of Management and Budget in accordance with E.O. 12866.

LIST OF SUBJECTS IN 5 CFR PART 582

Claims.

U.S. OFFICE OF PERSONNEL MANAGEMENT

Lorraine A. Green
Deputy Director

Accordingly, OPM is establishing Part 582 of Title 5, Code of Federal Regulations as follows:

PART 582--COMMERCIAL GARNISHMENT OF FEDERAL EMPLOYEES' PAY

Subpart A--Purpose, Definitions, and Exclusions

Sec.

582.101 Purpose.

582.102 Definitions.

582.103 Exclusions

Subpart B--Service of Legal Process

582.201 Agent to receive process.

582.202 Service of legal process.

582.203 Information minimally required to accompany legal process.

Subpart C--Compliance with Process

582.301 Suspension of payment.

582.302 Notification of employee-obligor.

582.303 Response to legal process or interrogatories.

582.304 Nonliability for disclosure.
582.305 Honoring legal process.
582.306 Lack of entitlement by the employee-obligor to pay from the agency served with legal process.

Subpart D--Consumer Credit Protection Act Restrictions

582.401 Aggregate disposable earnings.
582.402 Maximum garnishment limitations.

Subpart E--Implementation by Agencies

582.501 Rules, regulations, and directives by agencies.

Authority: 5 U.S.C. 5520a; 15 U.S.C. 1673; E.O. 12897

Appendix A to Part 582--List of Agents Designated to Accept Legal Process

Subpart A--Purpose, Definitions, and Exclusions

Sec. 582.101 Purpose.

Section 5520a of title 5 of the United States Code provides that with certain exceptions set forth in this part, pay from an agency to an employee is subject to legal process in the same manner and to the same extent as if the agency were a private person. The purpose of this part is to implement the objectives of section 5520a as they pertain to each executive agency of the United States Government, except with regard to employees of the United States Postal Service, the Postal Rate Commission, and the General Accounting Office.

Sec. 582.102 Definitions.

(a) In this part--

(1) Agency means each agency of the executive branch of the Federal Government, excluding the United States Postal Service, the Postal Rate Commission, and the General Accounting Office; agency does not include the government of the District of Columbia or the territories and possessions of the United States.

(2) Employee or employee-obligor means an individual who is employed by an agency as defined in this section; except for reemployed annuitants and retired members of the uniformed services who are employed by an agency, employee does not include a retired employee, member of the uniformed services, or a retired member of the uniformed services.

(3) Legal process means any writ, order, summons, or other similar process in the nature of garnishment, which may include an attachment, writ of execution, court ordered wage assignment, or tax levy from a State or local government, which--

(i) Is issued by:

(A) A court of competent jurisdiction, including Indian

tribal courts, within any State, territory, or possession of the United States, or the District of Columbia. As stated in section 582.101, pay is subject to legal process in the same manner and to the same extent as if the agency were a private person. There is, therefore, no requirement in this part that, for example, legal process be signed by a judge; or

(B) An authorized official pursuant to an order of a court of competent jurisdiction or pursuant to State or local law; or

(C) A State agency authorized to issue income withholding notices pursuant to State or local law; and

(ii) Orders an agency to withhold an amount from the pay of an employee-obligor and to make a payment of such withholding to a person, for a specifically described satisfaction of a legal debt of the employee-obligor, or recovery of attorney fees, interest, or court costs;

(4) Person may include an individual, partnership, corporation, association, joint venture, or private organization, and includes the plural of that term; person may include a State or local Government as well as a foreign entity or a foreign governmental unit.

(5) In conformance with 5 U.S.C. 5520a, pay means basic pay; premium pay paid under chapter 55, subchapter V, of title 5 of the United States Code; any payment received under chapter 55, subchapters VI, VII, or VIII, of title 5 of the United States Code; severance pay and back pay under chapter 55, subchapter IX, of title 5 of the United States Code; sick pay, and any other paid leave; incentive pay; locality pay (including interim geographic adjustments, special pay adjustments for law enforcement officers, and locality-based comparability payments); and any other compensation paid or payable for personal services, whether such compensation is denominated as pay, wages, salary, lump-sum leave payments, commission, bonus, award, or otherwise; but does not include awards for making suggestions, reimbursement for expenses incurred by an individual in connection with employment, or allowances in lieu thereof.

Sec. 582.103 Exclusions.

In determining the amount of pay subject to garnishment under this part, there shall be excluded amounts which:

(a) Are owed by the employee-obligor to the United States;

(b) Are required by law to be deducted from the employee-obligor's pay, including, but not limited to:

(1) Amounts withheld from benefits payable under title II of the Social Security Act;

(2) Federal employment taxes; and

(3) Amounts deducted for Medicare;

(c) Are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the employee-obligor claimed all dependents to which the employee-obligor were entitled. The

withholding of additional amounts pursuant to section 3402(i) of title 26 of the United States Code may be permitted only when the employee-obligor presents evidence of a tax obligation which supports the additional withholding;

(d) Are deducted as health insurance premiums;

(e) Are deducted as normal retirement contributions, not including amounts deducted for supplementary coverage. For purposes of this section, all amounts contributed under sections 8351 and 8432(a) of title 5 of the United States Code to the Thrift Savings Fund are deemed to be normal retirement contributions. Except as provided in this paragraph, amounts voluntarily contributed toward additional retirement benefits are considered to be supplementary; or

(f) Are deducted as normal life insurance premiums from salary or other remuneration for employment, not including amounts deducted for supplementary coverage. Federal Employees' Group Life Insurance premiums for "Basic Life" coverage are considered to be normal life insurance premiums; all optional Federal Employees' Group Life Insurance premiums and any life insurance premiums paid for by allotment are considered to be supplementary.

Subpart B--Service of Legal Process

Sec. 582.201 Agent to receive process.

(a) Except as provided in appendix A to this part, appendix A to 5 C.F.R. Part 581 lists agents designated to accept service of process under Part 581 and this part.

(b) United States Attorneys are not considered appropriate agents to accept service of process.

Sec. 582.202 Service of legal process.

(a) A party using this part shall serve legal process on the agent to receive process as explained in section 582.201. Where the legal process is directed to an agency, and the purpose of the legal process is to compel an agency to garnish an employee's pay, the legal process need not expressly name the agency as a garnishee.

(b) Service of legal process may be accomplished by certified or registered mail, return receipt requested, or by personal service upon the agent to receive process as explained in section 582.201, or if no agent has been designated, then upon the head of the employee-obligor's employing agency. The designated agent shall note the date and time of receipt on the legal process.

(c) Parties bringing garnishment actions shall comply with the service of process provisions in this section. Service will not be effective where parties fail to comply with the service of process provisions of this section, notwithstanding whether the party bringing the garnishment action has complied with the service of process requirements of the jurisdiction issuing the legal process.

Sec. 582.203 Information minimally required to accompany legal process.

(a) Sufficient identifying information must accompany the legal process in order to enable processing by the agency. Parties seeking garnishment actions are, therefore, asked to provide the following identifying information concerning the employee-obligor:

- (1) Full name;
- (2) Date of birth;
- (3) Employment number or social security number;
- (4) Component of the agency for which the employee-obligor

works;

- (5) the official duty station or worksite; and
- (6) home address.

(b) If the information submitted is not sufficient to identify the employee-obligor, the legal process shall be returned directly to the court, or other authority, with an explanation of the deficiency. However, prior to returning the legal process, if there is sufficient time prior to the time limits imposed in section 582.303, an attempt should be made to inform the party who caused the legal process to be served, or the party's representative, that it will not be honored unless adequate identifying information is supplied.

Subpart C--Compliance With Legal Process

Sec. 582.301 Suspension of payment.

Upon proper service of legal process as specified in sections 582.202 and 582.203, the agency shall suspend, i.e., withhold, payment of such moneys for the amount necessary to permit compliance with the legal process in accordance with this part.

Sec. 582.302 Notification of employee-obligor.

(a) As soon as possible, but not later than 15 calendar days after the date of valid service of legal process, the agent designated to accept legal process shall send to the employee-obligor, at his or her duty station or last known home address, written notice that such process has been served, including a copy of the legal process;

(b) The agency may provide the employee-obligor with the following additional information:

(1) Copies of any other documents submitted in support of or in addition to the legal process;

(2) Notice: That the United States does not represent the interests of the employee-obligor in the pending legal proceedings; and

(3) Advice: That the employee-obligor may wish to consult legal counsel regarding defenses to the legal process that he or she may wish to assert.

Sec. 582.303 Response to legal process or interrogatories.

(a) Whenever the designated agent is effectively served with legal process, the agent shall respond within 30 calendar days, or within such longer period as may be prescribed by applicable State or local law, after the date valid service is made. The agent shall also respond within this time period to interrogatories which accompany legal process.

(b) If State or local law authorizes the issuance of interrogatories prior to or after the issuance of legal process, the agent shall respond to the interrogatories within 30 calendar days, or within such longer period as may be prescribed by applicable State or local law, after receipt.

Sec. 582.304 Nonliability for disclosure.

(a) No agency employee whose duties include responding to interrogatories pursuant to section 582.303(b), shall be subject to any disciplinary action or civil or criminal liability or penalty for any disclosure of information made in connection with the carrying out of any duties pertaining directly or indirectly to answering such interrogatories.

(b) However, an agency would not be precluded from taking disciplinary action against an employee who consistently or purposely failed to provide correct information requested by interrogatories.

Sec. 582.305 Honoring legal process.

(a) The agency shall comply with legal process, except where the process cannot be complied with because:

(1) It is not regular on its face.

(2) The legal process would require the withholding of funds not deemed pay as described in section 582.102(a)(5).

(3) It does not comply with section 5520a of title 5 of the United States Code or with the mandatory provisions of this part; or

(4) An order of a court of competent jurisdiction enjoining or suspending the operation of the legal process has been served on the agency.

(b) While an agency will not comply with legal process which, on its face, indicates that it has expired or is otherwise no longer valid, legal process will be deemed valid notwithstanding the fact that the underlying debt and/or the underlying judgment arose prior to the effective date of section 5520a of title 5 of the United States Code.

(c) While the filing of an appeal by an employee-obligor will not generally delay the processing of a garnishment action, if the employee-obligor establishes that the law of the jurisdiction which issued the legal process provides that the processing of the garnishment action will be suspended during an appeal and if the employee-obligor establishes that he or she has filed an appeal, the employing agency shall comply with the applicable law of the jurisdiction and delay or suspend the

processing of the garnishment action.

(d) Under the circumstances set forth in section 582.305(a) or (b), or where the agency is directed by the Justice Department not to comply with the legal process, the agency shall respond directly to the court, or other authority, setting forth its reasons for non-compliance with the legal process. In addition, the agency shall inform the party who caused the legal process to be served, or the party's representative, that the legal process will not be honored. Thereafter, if litigation is initiated or appears imminent, the agency shall immediately refer the matter to the United States Attorney for the district from which the legal process issued. To ensure uniformity in the executive branch, agencies which have statutory authority to represent themselves in court shall coordinate their representation with the United States Attorney.

(e) In the event that an agency is served with more than one legal process or garnishment order with respect to the same payments due or payable to the same employee, the agency shall satisfy such processes in priority based on the time of service: Provided, That in no event will the total amount garnished for any pay or disbursement cycle exceed the applicable limitation set forth in section 582.402. Provided further, That processes which are not limited in time shall preserve their priority based on time of service until fully discharged.

(f) Legal process to which an agency is subject under sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662) for the enforcement of the employee's legal obligation to provide child support or make alimony payments, shall have priority over any legal process to which an agency is subject under this section.

(g) Neither the United States, any disbursing officer, nor any executive agency shall be liable for any payment made from moneys due from, or payable by, the United States to any individual pursuant to legal process regular on its face, if such payment is made in accordance with this part. Where an agency initially determines that legal process should not be honored, if it subsequently determines that its initial determination was erroneous, it may correct its initial determination and honor the legal process. If an agency corrects an error or is required to do so by a court or other authority, under no circumstances will the agency be required to pay more than if it had originally honored the legal process.

(h) Agencies affected by legal process served under this part shall not be required to vary their normal pay or disbursement cycles to comply with the legal process. However, legal process, valid at the time of service, which is received too late to be honored during the disbursement cycle in which it is received, shall be honored, to the extent that the legal process may be satisfied, during the next disbursement cycle within the limits set forth in section 582.402. The fact that the legal process may have expired during this period would not relieve the

agency of its obligation to honor legal process which was valid at the time of service. If, in the next disbursement cycle, no further payment will be due from the agency to the employee-obligor, the agency shall follow the procedures set forth in section 582.306.

(i) Agencies need not establish escrow accounts in order to comply with legal process. Therefore, even if the amount garnished by an agency in one disbursement cycle is not sufficient to satisfy the entire indebtedness, the agency need not retain those funds until the amount retained would satisfy the entire indebtedness. On the contrary, agencies will, in most instances, remit the garnished amount after each disbursement cycle. Agencies need not pro-rate payments for less than a full disbursement cycle.

(j) If an agency receives legal process which is regular on its face, the agency shall not be required to ascertain whether the authority which issued the legal process had obtained personal jurisdiction over the employee-obligor.

(k) At the discretion of the executive agency, the agency's administrative costs in executing a garnishment may be added to the garnishment amount and the agency may retain costs recovered as offsetting collections. An administrative fee may be assessed for each legal process that is received and processed by an agency.

(l) Where an employee-obligor establishes that he or she has filed a bankruptcy petition under section 301, 302, or 303 of title 11 of the United States Code, the agency would be required to comply with the automatic stay provision of the Revised Bankruptcy Act, section 362(a) of title 11 of the United States Code, and cease any garnishment action affecting the employee-obligor petitioner.

Sec. 582.306 Lack of entitlement by the employee-obligor to pay from the agency served with legal process.

(a) When legal process is served on an agency and the individual identified in the legal process as the employee-obligor is found not to be entitled to pay from the agency, the agency shall follow the procedures set forth in the legal process for that contingency or, if no procedures are set forth therein, the agency shall return the legal process to the court, or other authority from which it was issued, and advise the court, or other authority, that the identified employee-obligor is not entitled to any pay from the agency.

(b) Where it appears that the employee-obligor is only temporarily not entitled to pay from the agency, the court, or other authority, shall be fully advised as to why, and for how long, the employee-obligor's pay will not be garnished, if that information is known by the agency and if disclosure of that information would not be prohibited.

(c) In instances where an employee-obligor separates from employment with an agency that had been honoring a continuing

legal process, the agency shall inform the party who caused the legal process to be served, or the party's representative, and the issuing court, or other authority, that the garnishment action is being discontinued. In cases where the employee-obligor has been employed by either another agency or by a private employer, and where this information is known by the agency, the agency shall provide the party with the designated agent for the new employing agency or with the name and address of the private employer.

Subpart D--Consumer Credit Protection Act Restrictions

Sec. 582.401 Aggregate disposable earnings.

In accordance with the Consumer Credit Protection Act, the aggregate disposable earnings under this part are the employee-obligor's pay less those amounts excluded in accordance with section 582.103.

Sec. 582.402 Maximum garnishment limitations.

Pursuant to section 1673(a)(1) of title 15 of the United States Code (the Consumer Credit Protection Act, as amended) and the Department of Labor regulations at title 29, Code of Federal Regulations, part 870, the following limitations are applicable:

(a) Unless a lower maximum limitation is provided by applicable State or local law, the maximum part of an employee-obligor's aggregate disposable earnings subject to garnishment to enforce any legal debt other than an order for child support or alimony, shall not exceed 25 percent of the employee-obligor's aggregate disposable earnings for any workweek. Furthermore, the following dollar limitations, which are contained in title 29 of the Code of Federal Regulations, part 870, must be applied in determining the garnishable amount of the employee's aggregate disposable earnings:

(1) If the employee-obligor's aggregate disposable earnings for the workweek are in excess of 40 times the Fair Labor Standards Act (FLSA) minimum hourly wage, 25% of the employee-obligor's aggregate disposable earnings may be garnished. For example, when the FLSA minimum wage rate is \$4.25 per hour, this rate multiplied by 40 equals \$170.00 and thus, if an employee-obligor's disposable earnings are in excess of \$170.00 for a workweek, 25% of the employee-obligor's disposable earnings are subject to garnishment.

(2) If the employee-obligor's aggregate disposable earnings for a workweek are less than 40 times the FLSA minimum hourly wage, garnishment may not exceed the amount by which the employee-obligor's aggregate disposable earnings exceed 30 times the current minimum wage rate. For example, at an FLSA minimum wage rate of \$4.25 per hour, the amount of aggregate disposable earnings which may not be garnished is \$127.50 [$\4.25×30]. Only the amount above \$127.50 is garnishable.

(3) If the employee-obligor's aggregate disposable earnings

in a workweek are equal to or less than 30 times the FLSA minimum hourly wage, the employee-obligor's earnings may not be garnished in any amount.

(b) There is no limit on the percentage of an employee-obligor's aggregate disposable earnings that may be garnished for a State or local tax obligation or for bankruptcy purposes.

Subpart E--Implementation by Agencies

Sec. 582.501 Rules, regulations, and directives by agencies.

Appropriate officials of all agencies shall, to the extent necessary, issue implementing rules, regulations, and/or directives that are consistent with this part.

Appendix A to Part 582--List of Agents Designated to Accept Legal Process

[The agents designated to accept legal process are listed in appendix A to part 581. Appendix A to part 582 provides listings only for those executive agencies where the designations differ from those found in appendix A to part 581.]

I. DEPARTMENTS

DEPARTMENT OF DEFENSE

Defense Finance and Accounting Service
Cleveland Center
Office of General Counsel
Attention: Code L
P.O. Box 998002
Cleveland, OH 44199-8002
(216) 522-5301

Agents for receipt of all legal process for all Department of Defense civilian employees except where another agent has been designated as set forth below.

For requests that apply to employees of the Army and Air Force Exchange Service or to civilian employees of the Defense Contract Audit Agency (DCAA) and the Defense Logistics Agency (DLA) who are employed outside the United States: See appendix A to part 581.

For requests that apply to civilian employees of the Army Corps of Engineers, the National Security Agency, the Defense Intelligence Agency, and non-appropriated fund civilian employees of the Air Force, serve the following offices:

ARMY CORPS OF ENGINEERS:

U.S. Army Corps of Engineers, Omaha District
Central Payroll Office
Attn: Garnishments
P.O. Box 1439 DTS

Omaha, NE 68101-1439

NATIONAL SECURITY AGENCY:

General Counsel
National Security Agency / Central Security Service
9800 Savage Rd.
Ft. G. Mead, MD 20755-6000

DEFENSE INTELLIGENCE AGENCY:

Office of General Counsel
Defense Intelligence Agency
Pentagon, 2E238
Washington, DC 20340-1029

AIR FORCE NON-APPROPRIATED FUND EMPLOYEES:

Office of General Counsel
Air Force Services Agency
10100 Reunion Place
Suite 503
San Antonio, TX 78216-4138

For civilian employees of the Army, Navy and Marine Corps who are employed outside the United States, serve the following offices:

ARMY CIVILIAN EMPLOYEES EUROPE:

266th Theater Finance Command
ATTN: AEUCF-CPF
APO New York 09007-0137

ARMY CIVILIAN EMPLOYEES IN JAPAN:

US Army F&AO Japan
Unit 45005
Camp Zama
APO AP 96343-0087

ARMY CIVILIAN EMPLOYEES IN KOREA:

Commander
175th TFC (Korea)
APO AP 96301-007361

ARMY CIVILIAN EMPLOYEES IN PANAMA:

DCSRM Finance & Accounting Office
Unit 7153
ATTN: SORM-FAP-C
APO AA 34004-5000

NAVY AND MARINE CORPS CIVILIAN EMPLOYEES OVERSEAS:

Director of the Office of Civilian Personnel Management
Office of the General Counsel
Navy Department
800 N. Quincy St.

Arlington, VA 22203-1998

FEHBP Letter

All Carriers

U.S. Office of Personnel Management
Office of Insurance Programs

FEHBP Letter No. 94-24

Date December 16, 1994

SUBJECT: Garnishment of Enrollees' Wages

Section 9 of Public Law 103-94 (5 U.S.C. §5520a) requires the Federal Government to honor commercial garnishments. The Office of Personnel Management (OPM) issued implementing regulations for most of the Executive Branch in 5 CFR Part 582 (see Federal Register excerpt dated March 29, 1994, and Appendix A of 5 CFR Part 581, attached).

This means that FEHBP carriers may now request the garnishment of employees' salaries in order to collect debts. The ability to request garnishment of salaries to collect debts does not, however, relieve carriers of their reporting responsibilities under FEHBP Letter No. 94-02, Notifying OPM's Office of Inspector General Concerning Fraud and Abuse Cases in the FEHB Program.

The carrier must obtain a garnishment order from a competent authority. This is generally a court, but in certain states the orders may be issued by an officer of the court, i.e., an attorney. The carrier should then present the garnishment order to the employing agency's designated agent. The agency is then required to garnish the employee's salary and submit such monies to the party named in the garnishment order (e.g., the FEHB carrier).

Please note that the law does not apply to retirees or Federal annuities. Federal annuities cannot be garnished for commercial debts. Also, even though the law applies to all civilian employees in the Federal Government, OPM's regulations apply only to agencies in the Executive Branch and do not cover the United States Postal Service or the Postal Rate Commission.

We encourage all FEHBP carriers to take advantage of this opportunity to recover debts.

Sincerely,

Lucretia F. Myers
Assistant Director

Attachment

for Insurance Programs