

## Chapter Overview

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**Introduction**

The objective of this chapter is to provide a concise, user friendly job aid for collecting an in-service debt, counseling a member on an overpayment, and requesting a remission or waiver. This chapter provides checklists, guides, and information required to complete these tasks.

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**Chapter 9**  
**IN-SERVICE DEBT COLLECTION**

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## 9.A Section Overview

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**Introduction** This section provides you with the procedures for collecting an in-service debt and counseling a member on an overpayment.

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**Lump Sum Repayments** If a member desires to repay part or all of an in-service debt, mail a check, made out to U.S. Coast Guard, to PPC (FAR) with a copy of the Pay Slip or Notice of Overpayment (NOO).

To pay by Credit Card: Contact PPC Customer Care, 866-772-8724 or 785-339-2200 (Do not submit credit card information via e-mail).

To pay by Check:

Make check out to US Coast Guard, enter the member's EMPLID in the notes section.

Mail check to:

Commanding Officer  
US Coast Guard  
Pay & Personnel Center  
ATTN: FAR  
444 SE Quincy St  
Topeka, KS 66683

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**Interest, administrative fees, and penalties** Interest will be applied to all overpayments that occur earlier than the current Direct Access processing period, and on all non-payroll debts to the Coast Guard unless waived by CO, PPC. No interest will be applied if debt is paid in full prior to the start of collection action. A 30-day notice will be provided to the member with interest being applied from the date of notification.

- Administrative fees and penalties will be applied on a case by case basis in accordance with [4 C.F.R.](#), and the CG Pay Manual.
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## 9.A.1 Collection of Direct Access Overpayments

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### 9.A.1.1 Introduction

An overpayment of pay and allowances is the result of errors or delays in processing pay-related transactions. This will assist the unit when counseling a member on an overpayment.

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### 9.A.1.2 Reference

(a) Coast Guard Pay Manual, COMDTINST M7220.29 (series), Chap.11, In-Service Debt Collection

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### 9.A.1.3 How a member is notified of an overpayment

PPC (MAS) will provide a Notice of Overpayment (NOO) letter for each member with a debt of \$1000.00 or more. Members with debts of \$999.99 or less will be notified by a message on the Pay Slip.

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### 9.A.1.4 Action upon receipt of a Notice of Overpayment letter

Upon receipt of a Notice of Overpayment (NOO) letter the member's commanding officer shall:

- provide a copy of the NOO letter to the member.
  - counsel the member regarding the debt and the collection procedure.
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## 9.A.1 Collection of Direct Access Overpayments, Continued

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### 9.A.1.5 Overpayment collection process

Overpayments are collected according to the following rules.

**Note:** The rules below do not apply if the time remaining before the member's scheduled date of separation is not sufficient to complete collection. Every effort will be made to collect debts prior to separation.

- a. Personnel indebted to the Coast Guard through no fault of their own will repay their debt at a rate of 15% of their disposable pay. 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. Indebted personnel will only be considered at fault, for the purpose of this policy, if they submit a waiver or remission application and are denied due to a determination that they were partially at fault.
- b. The 15% cap shall apply to the sum of all debt when a member has multiple in-service debts.
- c. All in-service debts to the Coast Guard, including household goods and travel debts are subject to these terms of collection.
- d. Personnel who are in a retired status are also subject to the 15% maximum withholding of disposable pay.
- e. Personnel have the option to repay their debt at a rate higher than 15%. Submit requests for higher repayment percentages to PPC by email to [ppc-dg-customer@uscg.mil](mailto:ppc-dg-customer@uscg.mil).

### 9.A.1.6 Requesting a different repayment schedule

The member's command may request a reduced repayment schedule based upon the member's financial status, as long as repayment is completed prior to separation. For requesting a repayment schedule of less than 10% of disposable pay, a legitimate financial hardship must exist. The request must include a Financial Statement (CG-5489B), and be approved by member's Commanding Officer. Forward the completed package to PPC (MAS) for review and approval. In all cases, requests for a different repayment schedule shall be submitted to PPC by email to [ppc-dg-customer@uscg.mil](mailto:ppc-dg-customer@uscg.mil).

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**Section A  
COLLECTIONS**

## 9.A.2 Collection of Other Debts

**9.A.2.1 Introduction** There are several types of debts that a member may incur that can be collected directly from their pay.

**9.A.2.2 Reference** (a) Coast Guard Pay Manual, COMDTINST M7220.29 (series), Chap.11, In-Service Debt Collection

**9.A.2.3 Types of debts** This table lists several types of debts that can be collected from a member's pay.

Type	Who does it	Action taken
Unliquidated Travel Advance	PPC (TVL)	Issues *dunning letter to member.
	FINCEN	Initiates collection (Active duty members).
	PPC (MAS)	Initiates collection (Reserve members).
IRS Tax Levy	Unit	<ul style="list-style-type: none"> <li>• Forwards notice of levy to PPC (MAS)</li> <li>• Notifies originating IRS unit that notice of levy has been forwarded.</li> </ul>
	PPC (MAS)	Initiates collection.
Garnishment Involuntary Allotment	Unit	Upon receipt of a court order for garnishment returns order to sender with a letter informing them that the order must be sent directly to PPC (LGL) for action.
	PPC (LGL)	Prior to starting an involuntary allotment, PPC (LGL) will forward documentation to both the member and the member's commanding officer, notifying them that automatic processing will occur if a response is not received within 90 days from the date PPC mailed the documentation. Specific procedures to be followed by the member and the command will be included with the documentation provided by PPC.
Private Damages	Unit	Submits the report of investigation to PPC (MAS).
	PPC (MAS)	Initiates collection.

\*dunning – “An important demand for payment”

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**Section A  
COLLECTIONS**

**9.A.2 Collection of Other Debts, Continued**

**9.A.2.3 Type of Debts**  
(continued)

<b>Type</b>	<b>Who Does It</b>	<b>Action Taken</b>
Bankruptcy	Unit	Forwards notice of bankruptcy to PPC (LGL).
	PPC (LGL)	Initiates collection.
Clothing & Small Store Checkage	Unit	The Uniform Distribution Center, Woodbine, NJ, will deduct payment for uniforms purchased through UDC Woodbine from member's pay via Direct Access input. Emergency uniform issuances (e.g., to member's returned from unauthorized absence) are collected from a member's pay via submission of a Pay Adjustment Authorization (PAA), DD Form 139, by the Unit to PPC (MAS).
Duplicate Payments	PPC (MAS)	Forwards a dunning letter to member.
Debts Owed to Coast Guard Mutual Assistance (CGMA)	Unit	Notifies SPO of debts owed to CGMA to be collected from member's available final pay.
	SPO	Notifies PPC (SEP) and Mutual Assistance Office in Headquarters. The notification must contain: <ul style="list-style-type: none"> <li>• name, SSN, EMPLID</li> <li>• scheduled date of separation,</li> <li>• CGMA office that processed loan,</li> <li>• loan balance,</li> <li>• blanket code and</li> <li>• whether the member has consented in writing to voluntary collection of the debt,</li> <li>• or if the member has not consented to voluntary checkage, the date on which the member was provided written notice of the debt and planned involuntary collection action.</li> </ul>
	PPC (SEP)	Initiates deduction from separation pay and forwards payment to CGMA.

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**Section A  
COLLECTIONS**

## 9.A.2 Collection of Other Debts, Continued

### 9.A.2.3 Types of Debts (continued)

<b>Type</b>	<b>Who Does It</b>	<b>Action Taken</b>
Debts Owed Other Service Relief Society	Other Armed Service	Forwards Pay Adjustment Authorization (PAA), DD Form 139
	PPC (SEP)	Initiates deduction from separation pay.
Unpaid DOD Hospital Charges	Care Provider	Forwards statement of charges to PPC (MAS).
	PPC (MAS)	Initiates collection.
Damage to Government Quarters	Housing Officer	Forwards PAA to PPC (MAS).
	PPC (MAS)	Initiates collection.
Bad Check/ Defaulted Payment Plan	NAFA/AAFES	Forwards PAA to PPC (MAS).
	PPC (MAS)	Initiates collection
Bad Check to CG	FINCEN	Forwards PAA to PPC (MAS).
	PPC (MAS)	Initiates collection.
Tuition Assistance Recoupment	Navy	Forwards PAA to PPC (MAS).
	PPC (MAS)	Initiates collection.
Delinquent Government Travel Card	Travel Charge Card Contractor	Forwards PAA to HQ.
	HQ	Reviews and forwards PAA to PPC (MAS).
	PPC (MAS)	Initiates collection.
Health & Comfort Items	Exchange	Forwards PAA and Request and Receipt for Health and Comfort Supplies, <a href="#">DD-504</a> to PPC (MAS).
	PPC (MAS)	Initiates collection.

## **Section Overview**

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**Introduction**      This section will guide you through the procedures for requesting a remission or waiver.

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**Section B**  
**REMISSIONS AND WAIVERS**

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## 9.B.1 Remissions

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**9.B.1.1 Introduction** To cancel an uncollected amount of indebtedness to the U.S. Government, a member must request a remission of that debt. This will assist you with requesting a remission. Remission Application forms (CG-5489-1) are located on the Coast Guard web site at [http://www.uscg.mil/forms/cg/cg\\_5489\\_1.pdf](http://www.uscg.mil/forms/cg/cg_5489_1.pdf).

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**9.B.1.2 References** (a) Coast Guard Pay Manual, COMDTINST M7220.29 (series), Chap. 11-G, Remission of Indebtedness for Enlisted Members

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**9.B.1.3 Who can apply** Any enlisted member on active duty can request a remission.

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**9.B.1.4 Note to deploying or deployed units** If on a cutter 210' or larger, preparing to deploy or deployed when a member receives a notice of overpayment the unit may request suspension of collection action by notifying the SPO and [PPC Customer Care \(http://www.uscg.mil/ppc/ccb/\)](http://www.uscg.mil/ppc/ccb/), indicating date application is to be forwarded (must be submitted within 60 days).

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**9.B.1.5 Applying for a remission** Use this table when completing an application for a remission.

Stage	Who Does It	What Happens	Action to be Taken
1	Member	<ul style="list-style-type: none"> <li>• Completes CG-5489-1</li> <li>• Completes CG-5489B, (if a financial hardship exists)</li> </ul>	<ul style="list-style-type: none"> <li>• Within 15 days of receipt of notice of overpayment</li> </ul>
2	CO of Unit	<ul style="list-style-type: none"> <li>• Completes, Unit Information and Command Endorsement, CG-5489-1</li> <li>• Completes Part II, CG-5489B (if a financial hardship exists)</li> <li>• Scans and forwards to PPC (MAS) via email to <a href="mailto:PPC-CustomerCare@uscg.mil">PPC-CustomerCare@uscg.mil</a></li> </ul>	<ul style="list-style-type: none"> <li>• Within 5 working days of receipt of CG-5489-1 from member</li> </ul>
3	PPC (MAS)	<ul style="list-style-type: none"> <li>• Suspends collection of indebtedness</li> <li>• Forwards application and endorsements to COMDT (CG-1332)</li> <li>• Notifies member of action taken</li> </ul>	<ul style="list-style-type: none"> <li>• In the next available pay period following receipt of CG-5489-1.</li> </ul>

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**Section B**  
**REMISSIONS AND WAIVERS**

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## 9.B.2 Waivers

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**9.B.2.1 Introduction** An erroneous payment to a member is subject to collection when detected. A member may request cancellation of this debt by submitting a request for waiver. This will assist you with requesting a waiver. The Waiver Application form (CG-5489-2) is located on the Coast Guard web site at [http://www.uscg.mil/forms/cg/cg\\_5489\\_2.pdf](http://www.uscg.mil/forms/cg/cg_5489_2.pdf).

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**9.B.2.2 References** (a) Coast Guard Pay Manual, COMDTINST M7220.29(series), Chap. 11-F, Waiver of Claims for Erroneous Payment

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**9.B.2.3 Who can apply** Any present or former member of the U.S. Coast Guard and recipients of pay and/or allowances on behalf of members or former members may apply for a waiver of a debt.

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**9.B.2.4 Applying for a waiver** Members on active duty or serving in the selected reserve must use this procedure when submitting an application for a waiver.

Step	Who Does It	What Happens	Action to be Taken
1	Member	<ul style="list-style-type: none"> <li>Completes member section of CG-5489-2</li> </ul>	<ul style="list-style-type: none"> <li>Within a five year period following date of the discovery of the error.</li> </ul>
2	CO of Unit	<ul style="list-style-type: none"> <li>Completes Unit Information and Command Endorsement of CG-5489-2</li> <li>Forwards to PPC (MAS). Units can submit an informational copy of the Command endorsed Waiver application to PPC(MAS) via email to <a href="mailto:PPC-DG-CustomerCare@uscg.mil">PPC-DG-CustomerCare@uscg.mil</a>.</li> </ul>	<ul style="list-style-type: none"> <li>Within 5 working days of receipt of CG-5489-2 from member</li> </ul>
3	PPC (MAS)	<ul style="list-style-type: none"> <li>Forwards application and endorsements to COMDT (CG-1332)</li> <li>Notifies member of action taken</li> </ul>	<ul style="list-style-type: none"> <li>Within 3 working days of receipt of CG-5489-2</li> </ul>

**Note:** Former members of the U.S. Coast Guard, and recipients of pay and/or allowances on behalf of a member or a former member should contact [PPC Customer Care \(http://www.uscg.mil/ppc/ccb/\)](http://www.uscg.mil/ppc/ccb/), for information on waiver requests.

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