

VA



U.S. Department  
of Veterans Affairs



Office of Talent Management (OTM)  
Addressing Employee Indebtedness  
Standard Operating Procedure (SOP)

Veterans Benefits Administration  
1800 G Street, NW  
Washington, DC 20006

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This section is intended to record any changes made to the SOP and to implement document version control.

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**Approvals**

This document requires the following approvals. A signed copy will be placed in the project files in SharePoint.

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## 1.0 Introduction

A Standard Operating Procedure (SOP) is a set of written instructions that document a repetitive or routine activity followed by individuals within an organization. The development and use of SOPs are an integral part of a successful organization, as they provide individuals with the information to perform a job or carry out a task properly and facilitate consistency in the quality and integrity of the end-result.

*This guidance applies to processing corrective personnel actions that will result in a debt for current VBA employees.*

## 2.0 Scope

This SOP outlines the process used by VBA Office of Talent Management (OTM) to provide written notification to employees regarding creation of a debt due to processing a human resources (HR) corrective or retroactive action.

## 3.0 Related Guidelines

These procedures are in accordance with the Settlement Agreement dated June 6, 2013, between the American Federation of Government Employees (AFGE) and Department of Veterans Affairs (VA) [Attachment A] and will apply to all VBA non-SES employees.

## 4.0 Responsibilities

### 4.1 OTM HR Assistant

Upon discovery/notification that the employee has a salary discrepancy, informs the Supervisor and forwards the discrepant information to the assigned HR Specialist. Processes the coding of the action(s) for overpayment/underpayment, as necessary.

### 4.2 OTM HR Specialist

Upon discovery/notification that an employee has a salary discrepancy, immediately researches and verifies the information. Notifies the supervisor immediately of salary concerns along with the circumstances surrounding the error. Upon validation of the pay error, prepares and issues official notification via VA Memorandum to the employee of the salary discrepancy.

### 4.3 OTM Supervisor

Receives preliminary and official notification from the HR Specialist that a salary discrepancy occurred. Performs secondary review of notice to employee and provides concurrence. Notifies Human Resources Center (HRC) Director of salary discrepancy.



## 5.0 Procedures

- A. Upon identifying an error in an employee's record that will cause the employee to incur a debt, the servicing HR Specialist will prepare a Notice of Indebtedness Memo (NIM) [Debt Memo Templates in Section 6.3 of this document].
  1. The NIM will be prepared as soon as practicable, but normally no later than two business days after the error is discovered. Any date after two days requires a memo to the HR Specialist's supervisor detailing the delay.
  2. The NIM will include:
    - What action caused the debt
    - Why the action was processed (i.e. the series of events which resulted in the need to process the transaction)
    - The estimate of debt as calculated by the HR Office
    - Information on whether the employee will receive a mailed notice of indebtedness from DFAS
    - Information regarding the debt waiver process
    - Information that DFAS will issue the official notice of indebtedness
    - The names of the HRC Specialist and HRC Supervisor the employee can contact if additional information is required
  3. The HR Specialist will use the Debt Memo Templates in Section 6.3 of this document when preparing the NIM and will choose the most appropriate template to insert information specific to the debt situation. The available templates are as follows:
    - Notice of Indebtedness for Back Premiums/Loan Repayments
    - TSP Error
    - Notice of Indebtedness for Back Premiums/Loan Repayments (Benefits Error)
    - Notice of Retirement Coverage Discrepancy (SSA)
    - Notice of Overpayment/Indebtedness (Retro Actions)
    - Notice of Overpayment/Indebtedness (Awards)
  4. The HR Specialist will provide the NIM and any other information pertaining to the situation to the HRC Supervisor for review/concurrence.
  5. The Supervisor will review, ensure information is accurate, provide concurrence, and forward the NIM to the HRC Director within two business days.
  6. The HRC Director will review the NIM, digitally sign, and return to appropriate HR Specialist for dissemination within one business day.
  7. The HR Specialist will email the NIM to the RO or Business Line HR Liaison for awareness and distribution to the employee. The HRC supervisor will be copied on the email to the HR Liaison to ensure timely delivery by the HRC HR Specialist. The employee with indebtedness should be presented the memo by their HR Liaison in person or by certified mail for those employees that are virtual or remote.
  8. A copy of the NIM will be retained in the appropriate folder on the local shared drive.



- B. Once the notification to the employee is made, the appropriate SF52 is initiated by the OTM HR Specialist to begin the corrective action(s). In no event will the corrective action be coded prior to notice to the affected employee.
- C. The corrective action(s) will be coded no later than the following pay period after notification. The HR Specialist will provide the employee with any documents required in the debt waiver process.

## 6.0 Additional Information

### 6.1 References

- [5 USC 5514\(a\)\(2\)](#)
- [VA Financial Policy Volume XII](#)
- [OPM Guide to Processing Personnel Actions](#)
- [Debt Collection Improvement Act](#)
- [VA Roles & Responsibilities: Request for Waiver of Debt Due the VA](#)
- [VA Roles & Responsibilities: Waiver Request Post Conversion](#)
- [VA Roles & Responsibilities: Hearing Request](#)

### 6.2 Settlement Agreement

Attachment A

### 6.3 Debt Memo Templates

Attachment B