

USPS post-retirement debt collection



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The Postal Service sometimes claims that a retired or separated employee owes it money. When it does so, it may refer the alleged debt to the U.S. Treasury for collection through administrative offset. This means the money may be deducted from the individual's OPM pension, Social Security benefit, tax refund, etc.

However, the Postal Service is required by the Debt Collection Act (31 USC 3716) to provide appeal rights for former employees (who may no longer have access to file new grievances) to challenge Postal Service debt-collection efforts. The Postal Service appeal procedures for former employees are found at 39 CFR 966 (<http://about.usps.com/who-we-are/judicial/rules/rule966.htm#966.4>).

Those regulations provide that before the Postal Service can refer the alleged debt to the Treasury for collection, it must give the individual written notice of intent to collect the debt, with appeal rights. If the former employee timely appeals, all collection is suspended until the appeal is finalized.

The Postal Service triggers collection efforts and appeal rights by sending the former employee a Notice of Intent to Collect a Debt by Administrative Offset. The notice advises the former employee that he or she has a right to request a copy of the Postal Service records related to the debt and has the right to request reconsideration (challenging the existence or amount of the debt). The notice provides the address to send the reconsideration request to, sets a 30-day limit for making the reconsideration request, and notes that a timely appeal will stay all collection efforts. The 30-day time limit begins the date of receipt of the notice by the former employee and extends to the date he or she sends the reconsideration request in.

In many cases, the former employee will have no idea why the Postal Service is claiming money is owed. The Notices of Intent to Collect a Debt do not in any way explain why the Postal Service believes the debt exists. The notices typically contain a vague statement that previous correspondence reflected the existence of the debt. If the former employee has not received previous correspondence regarding a debt, or if the amount or calculation of the alleged debt has not been explained, it will be important for the former employee to request copies of the Postal Service records related to the debt. It also will be important to request reconsideration within 30 days of receipt of the notice, because that will suspend collection efforts.

Here is a sample combined request for records and reconsideration:

[Date]

I received your Notice of Intent to Collect a Debt on [date]. That Notice was dated [date].

I request a copy of all Postal Service records related to this debt. This includes, but is not limited to, copy of all previous correspondence alleged to have been sent to me, the specific date or dates the alleged debt was incurred, a detailed and specific explanation of the basis for the alleged debt, and a detailed and specific explanation of how the dollar amount of the alleged debt was calculated.

I request Reconsideration of the existence and amount of the debt.

The combined request for records and reconsideration should be sent to the address provided in the Notice of Intent to Collect a Debt.

When the former employee receives a reconsideration denial, the next step of the appeals process is filing a Petition for Review. The Petition for Review must be filed within 30 days of receipt of the reconsideration decision. It must be sent to the following address: Recorder, Judicial Officer Department; United States Postal Service; 475 L'Enfant Plaza SW; Washington, DC 20260-6100. It must be in writing, signed and include the following elements:

- The words "Petition for Review Under 39 CFR Part 966."
- The former employee's name and Social Security number.
- The former employee's home address and telephone number.
- A statement of the date the former employee received the written decision upon reconsideration, and a copy of the decision.
- A statement indicating whether the former employee requests an oral hearing or a decision based solely on written submissions.
- If the former employee requests an oral hearing, a statement describing the evidence he or she will produce which makes an oral hearing necessary.
- A statement of the grounds on which the former employee objects to the Postal Service's determination of the debt. This statement should identify (with reasonable specificity and brevity) the facts, evidence and legal arguments, if any, that support the former employee's position.
- Copies of all records in the former employee's possession which relate to the debt.

The regulations at 39 CFR 966.5 provide that a timely petition stays further collection action. Retired NALC members who receive notice from the Postal Service that it intends to collect a debt should immediately contact their branch or NBA for assistance. In the absence of timely and accurate appeals, the Postal Service will succeed in seizing the money from the retiree's pension or other government payment, even if the debt is unfounded.