CHAPTER 16

PAYROLL ACCOUNTING

1. INTRODUCTION.

a. Purpose. This chapter outlines the general principles and procedures for preparing payrolls and maintaining pay and leave records for civilian employees of DOE, whether they are paid on a per annum, a per hour, or a per day basis, as prescribed in the General Accounting Office (GAO) Policy and Procedures Manual for Guidance of Federal Agencies, Title 6, "Pay, Leave, and Allowances."

b. Objectives.

(1) Make prompt payment in the proper amount to all persons entitled to be paid, in compliance with applicable laws, regulations, and legal decisions.

(2) Prepare adequate and reliable payroll records promptly.

(3) Make prompt accounting for and disposition of all authorized deductions from gross pay.

(4) Maintain adequate control over, and provide for proper retention and disposition of, all payroll-related documents.

(5) Maintain individual pay records to show gross compensation (including allowances) by type and amount, deductions (including allotments) by type and amount, and net pay for each pay period.

2. GENERAL.

a. The principles and standards in the GAO Policy and Procedures Manual for Guidance of Federal Agencies are applicable as basic requirements to the payroll system. Circumstances that require or justify departures must have the prior approval of the Comptroller General.

b. Payroll operations are governed in various respects by regulations issued by the Office of Personnel Management (OPM); Federal and other taxing authorities; the Department of the Treasury (Treasury); the Department of State; the Office of Management and Budget (OMB); the Department of Labor; and decisions of the Comptroller General. Payroll supervisors and personnel are responsible for keeping themselves informed of the various regulations.

3. PRIVACY ACT OF 1974 (DOE 1800.1A and 10 CFR 1008).

a. Information Gathering. The Privacy Act of 1974 (Public Law 93-579) establishes certain minimum information-gathering standards for all agencies to protect the privacy and due-process rights of individuals and to ensure that surrender of personal

information is made with informed consent or with some guarantees of the uses and confidentiality of the information. The act charges each agency to:

(1) Collect, solicit, and maintain only personal information that is relevant and necessary for a statutory purpose of the agency;

(2) As far as is practicable, prevent hearsay and inaccuracies by collecting information directly from the people involved; and

(3) Inform people requested or required to reveal information about themselves whether their disclosure is mandatory or voluntary, what uses and penalties are involved, and what confidentiality guarantees surround the information once the Government acquires it.

b. Handling and Processing Personal Information. The Privacy Act establishes certain minimum standards for handling and processing personal information maintained in the data banks and systems of the executive branch, for preserving the security of the computerized or manual system, and for safeguarding the confidentiality of the information. To this end, it requires every department and agency to ensure, by whatever steps it deems necessary, the following:

(1) That the information that it keeps, discloses, or circulates about citizens is as accurate, complete, timely, and relevant to the agency's needs as possible;

(2) That it refrains from disclosing information on individuals unless it is necessary for personnel actions, payroll transactions, or other employee duties;

(3) That it refrains from making information available outside the agency without the consent of the employee and proper guarantees, unless pursuant to open-records laws or required for purposes such as law enforcement;

(4) That it takes certain administrative actions to keep account of the people and organizations that have access to the system or file and of disclosures and uses of the information;

(5) That it establishes and educates employees about the ethical and legal obligations in developing and operating a computerized or other data system and in handling personal data;

(6) That it does not sell or rent the names or addresses of people whose files it holds; and

(7) That it issues appropriate guidance, provides personnel sanctions, and establishes appropriate technical and physical safeguards to ensure the security of the information system and the confidentiality of the information.

4. INTERNAL CONTROL.

a. An effective system of internal control requires the separation of duties between the payroll and personnel offices. The personnel office shall furnish the payroll office with written authorization for each addition to or deletion from the payroll or change in rate of

pay. The payroll office shall retain a copy of the authorization in the employee's payroll file. For employee-initiated adjustments, such as savings bond deductions or allotment changes, the employee shall furnish written authorization to the payroll office. Personnel performing the payroll accounting activity shall not prepare time and attendance reports.

b. Earnings and leave statements shall be mailed to employees.

c. The payroll office shall ensure that payroll data are processed accurately; that delegations of authority as specified in paragraph 4d of DOE O 322.1, Pay and Leave Administration and Hours of Duty, are maintained; that time and attendance reports and leave authorizations are approved and authorized by appropriate DOE officials; and that changes authorized in writing by the personnel office or the employee are reviewed sufficiently to ensure their accuracy and acceptability.

d. The payroll office shall provide summary reports of each employee's leave and overtime records to the head of the employee's division or office, or to a designee, for appropriate review and verification.

5. REVIEW BY PAYROLL MANAGERS. Payroll managers shall review their operations continually and adjust them to be as efficient, effective, and economical as possible. Managers shall ensure that payroll systems are in accordance with legal requirements.

6. INTEGRATION WITH THE ACCOUNTING SYSTEM. The CFO's Integrated Payroll/Personnel System (PAY/PERS) is the Departmental system that integrates payroll and personnel functions into a single data base. Time and attendance are maintained at each field site and transmitted electronically to the payroll offices.

7. ESTABLISHING BASIC PAY AND BASIS FOR AND FREQUENCY OF PAYMENT.

a. Standard Form 50 (SF-50), "Notification of Personnel Action," is required to establish and change the basic pay of each employee.

b. The Department shall pay the net pay due the Secretary semimonthly by electronic funds transfer (direct deposit), and all other employees by direct deposit to the employees' financial institutions if the employee's first Federal payment was received after January 1, 1995. The direct deposit requirement may be waived for employees who submit to the CFO a written request for a waiver, including a certification that they do not have an account at a financial institution. After January 1, 1999, all net pay must be paid by direct deposit without exception.

8. PAYROLL EARNINGS.

a. General. The basic statutes governing computation of earnings are contained in title 5, Chapter 53, "Pay Rates and Systems"; Chapter 55, subchapter V, "Premium Pay"; Chapter 59, "Allowances"; and Chapter 61, "Hours of Work," of the United States Code (5 U.S.C. 53, 54, 55 V, 59, 61). Specific regulations appear in title 5 of the Code of Federal Regulations (5 CFR). Implementation of these regulations is contained in DOE O 322.1, Pay and Leave Administration and Hours of Duty, and DOE 3600.1B, Time and Attendance Reporting.

b. Basic Pay. Annual rates of basic pay cover payment for employment during 52 basic administrative workweeks of 40 hours. To convert an annual rate of basic pay, see 5 CFR 531.303.

c. Compressed Work Schedules.

(1) Compressed schedule — See 5 U.S.C. 6121(5).

(2) Overtime hours — See 5 U.S.C. 6121(7).

d. Overtime. See 5 CFR 550.111-114 and 551.501-513. Overtime work may be ordered or approved only in writing by an officer or employee to whom this authority has been specifically delegated (see paragraphs 6c(3)(a) through (d) of DOE O 322.1, Pay and Leave Administration and Hours of Duty). Aggregate pay under 5 U.S.C. may not be paid in excess of the statutory limit specified in 5 U.S.C. 5547.

e. Compensatory Time Off. See 5 CFR 550.114 and 551.531.

(1) Compensatory time off for periods of irregular or occasional overtime has the same statutory limits as described in paragraph 8d. The earnings limitation formulas for overtime and compensatory time off are as follows:

Base pay for GS-15/10	–	Base pay for employee being paid overtime	=	Maximum permissible overtime payment for General Schedule and similar employees
Maximum permissible overtime payment	/	Maximum rate payable for overtime at GS-10/1	=	Maximum number of hours of compensatory time allowed (rounded down)

(2) The following is an example of the earnings limitation formula (rates may not be current and do not reflect locality pay) converted to compensatory time applied to a GS-14/8 employee who has worked overtime and reached the ceiling:

$3,532.76 (base pay for GS-15/10)	–	$2,849.37 (base pay for GS-14/8)	=	$683.39 (maximum overtime payment)
$683.39 (maximum overtime payment)	/	$23.41 (maximum overtime rate for GS-10/1)	=	29.2 hours (maximum hours of compensatory time allowed)

f. Credit Hours. See 5 U.S.C. 6121-6126.

(1) Credit hours earned are nonovertime work hours in excess of scheduled hours in the biweekly pay period in which they were worked. The employee shall receive no additional pay for credit hours earned, and the payroll office shall credit such hours to the employee's account.

(2) Credit hours used are considered a part of the basic work requirement (nonovertime work) in the biweekly pay period to which they are applied. An employee is entitled to the employee's basic rate of pay for accumulated credit hours. Credit hours shall not be used by an employee to increase entitlement to overtime pay. An employee shall not be paid Sunday pay or holiday pay for credit hours.

(3) A full-time employee may accumulate up to 24 hours carryover from one biweekly pay period to a subsequent biweekly pay period. Credit hours for a part-time employee are limited to one-fourth of the hours in that employee's biweekly pay period.

(4) An employee shall be paid for accumulated credit hours at the employee's current rate of pay as soon as the employee is no longer allowed to work under a credit hour system. For a full-time employee, payment for accumulated credit hours is limited to not more than 24 hours.

g. Negotiated Agreements for Pay. Agreements for pay have been negotiated with some of the labor unions. These Federal workers are paid according to the terms of the agreements or final administrative action taken and approved by appropriate authority.

h. Back Pay. See 5 CFR 550, subpart H.

9. PAYROLL RECORDS.

a. Individual Earnings Record. The payroll office shall maintain an individual earnings record for each employee, showing the details of the employee's earnings, deductions, and net pay for each pay period. The earnings record shall serve as the source for the following:

(1) Preparation of SF-2806, "Individual Retirement Record (CSRS)," and SF-3100, "Individual Retirement Record (FERS)," which is posted when the employee is separated or transferred to another Federal agency;

(2) Reporting taxable wages under the Federal Insurance Contributions Act;

(3) Preparation of Form W-2, "Wage and Tax Statement," for Federal income taxes and State, city, and District of Columbia income and employment taxes withheld; and

(4) Reporting to State employment security agencies (SESAs) under the Federal Employees Unemployment Compensation Law (5 U.S.C. 8501 et seq.).

b. Memorandum Individual Earnings and Leave Record. The payroll office shall maintain a memorandum individual earnings and leave record for each employee transferred to an international organization and for each employee assigned under the Intergovernmental Personnel Act (5 U.S.C. 3371-3376).

c. Employee's Leave Record. The payroll office shall maintain an employee's leave record for each employee who is subject to the Annual and Sick Leave Act of 1951, showing the hours of leave earned and used; the balances of annual leave, sick leave,

compensatory time off, leave without pay, military, court, and home leave; annual leave restored to a separate leave account; religious compensatory time; donated leave; FECA (Federal Employee Compensation Act on-the-job injury); and family and medical leave.

d. Individual Retirement Record. The payroll office shall maintain an Individual Retirement Record for each employee subject to the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), including any employee transferred to international organizations who elects to participate. Each record consists of a chronological service history and cumulative deductions and payments to OPM during prior pay years.

e. Time and Attendance Record. Each administrative office or other designated unit shall maintain a time and attendance record on a daily basis for each employee in such office, and it shall furnish a report to the payroll office each pay period, showing the hours of duty, attendance, leave taken, overtime worked, and any other authorized premium pay for each employee as required by DOE O 322.1, Pay and Leave Administration and Hours of Duty.

f. Withholding Certificate. Each employee shall submit Form W-4, "Withholding Certificate," to the payroll office. Withholding of Federal income tax is based upon the number of exemptions and any additional dollar amount to be withheld as indicated on the form W-4. The Internal Revenue Service (IRS)(26 CFR 31 and 37) requires an employer to submit a copy of any form W-4 to the IRS if an employee claims more than 10 exemptions or claims exemption from withholding and has wages exceeding $200 per week. The IRS may advise the employer to disregard the W-4 if it contains materially incorrect information. In this case, the employer shall obtain a revised form W-4 from the employee and submit a copy to the IRS.

10. PAYROLL DEDUCTIONS.

a. General. Title 6, section 5, of the GAO Policy and Procedures Manual for Guidance of Federal Agencies contains the basic principles governing payroll deductions. Specific instructions and requirements are contained in part 3 of the Treasury Financial Manual (I TFM 3) and in the Office of Personnel Management issuances referenced below.

b. Order of Withholding Precedence for Deductions. See 6 GAO 5.3.A.

c. Special Situations—Order of Deductions. See 6 GAO 5.3.B.

d. Instructions.

(1) Civil Service Retirement System and Federal Employees' Retirement System. Instructions for withholding retirement deductions from employees' salaries, making contributions by DOE, paying such withholdings and contributions to OPM, maintaining individual retirement records and control accounts, and reporting to OPM each pay period are contained in the "CSRS and FERS Handbook for Personnel and Payroll Offices"; I TFM 3-3000; and 5 CFR 831 for CSRS and 5 CFR 841 for FERS. The payroll office shall charge retirement contributions by DOE to the programs to which the salary costs are charged and to Object Class 12.0, Personnel Benefits.

(2) Federal Income Taxes and Federal Insurance Contributions Act (FICA) Taxes. Instructions for withholding Federal income taxes and FICA taxes from employees' salaries and paying these taxes to the Federal Reserve bank are contained in I TFM 3-4000 and IRS Circular E, "Employer's Tax Guide." These references also contain instructions for paying excise taxes on salaries paid to employees covered by FICA. The payroll office shall charge excise taxes to the programs to which the related salary costs are charged and to Object Class 12.0, Personnel Benefits.

(3) Federal Employees' Health Benefits.

(a) Full-Time Employees. Instructions for withholding health benefits deductions from employees' salaries, processing documents to insurance carriers, and accounting and reporting are contained in 5 CFR 890, "Federal Employee's Health Benefits," and I TFM 3-3000. When an insured employee is transferred to another DOE payroll office or to another Federal agency within a pay period, the transferor and transferee offices shall withhold the required health benefit deductions and shall contribute their shares in accordance with the "4-day rule." When an employee retires and is eligible to continue enrollment as an annuitant or when an employee dies and there is a survivor eligible to continue the enrollment, the transferor office shall make withholdings and contributions subject to the 4-day rule in the same manner as any other transfer between payroll offices. When an employee is in a nonpay status, his or her enrollment may continue for up to 365 days, and the Department may make payments to OPM on behalf of the employee until the employee returns to work or separates from the Department. If the Department elects to make payments to OPM on behalf of the employee, a receivable must be established in the name of the employee for these payments. When the employee returns to work, he or she must make arrangements to repay the Department for such premium payments. If the employee does not return to work, the Department may bill the employee or pursue waiver of the debt, as appropriate. The payroll office shall charge health benefit contributions by DOE to the programs to which the related salary costs are charged and to Object Class 12.0, Personnel Benefits. Withholdings for health benefits are forwarded to OPM for payment to the carrier.

(b) Part-Time Employees. An employee appointed under the Federal Employees Part-Time Career Act of 1978 or who otherwise becomes a part-time career employee (16 to 32 hours a week) on or after 4-8-79 is entitled only to a Government contribution that is in direct proportion to the percentage of full-time service regularly performed. This does not apply to any employee serving on a part-time basis before 4-8-79 if the employee continues to serve without a break in service in that or any other position on such a part-time basis. The personnel office shall determine the Government contribution by dividing the average number of hours the employee is scheduled to work during the pay period by the average number of hours worked by a full-time employee serving in the same or a comparable position (normally, 80 hours per biweekly pay period). This percentage shall be applied to the Government contribution made for

full-time employees to arrive at the amount appropriate for the part-time employee.

(4) **Federal Employees' Group Life Insurance.** Instructions for withholding insurance deductions from an employee's salary and paying and reporting such withholdings and related contributions to OPM are contained in 5 CFR 870, "Basic Life Insurance," and I TFM 3-3000 (see also 5 CFR 871-874). When an insured employee is transferred to another DOE payroll office or to another Federal agency within a pay period, the transferor and transferee offices shall withhold the required insurance deductions and shall contribute their shares in accordance with the 4-day rule. When an employee retires, the transferor office shall make withholdings and contributions subject to the 4-day rule for optional life insurance for employees younger than age 65. The offices shall make the full withholding and contribution for regular insurance and for optional insurance for employees 65 and older. The payroll office shall charge insurance contributions by DOE to the programs to which the related salary costs are charged and to Object Class 12.0, Personnel Benefits.

(5) **Claims Due from Employees.** The policy and procedures for collecting claims due from current and former DOE employees, including provision of due-process rights prior to collecting an indebtedness owed to the United States through salary or other administrative offset, are contained in DOE 2200.2B, Collection from Current and Former Employees for Indebtedness to the United States.

(6) **Delinquent Taxes Due the United States.** Section 6331 of the Internal Revenue Code of 1954 permits District Directors of Internal Revenue to levy upon the accrued salary or wages of an employee in order to satisfy his or her tax liability to the United States.

(a) **Instructions for Withholdings** from employees' salaries for delinquent Federal income taxes and payment of such withholdings to District Directors of Internal Revenue are contained in I TFM 3-4070.

(b) **Designees for Receiving Notices of Levy.** The Chief Financial Officer (CFO; CR-1) has designated heads of field offices (for field employees) and the Chief, Payroll Branch (for Headquarters employees), as persons upon whom notices of levy are to be served by the District Directors of Internal Revenue (I TFM 3-4070.20).

(7) **State, City, County, and District of Columbia Income and Employment Taxes.** Instructions for withholding State, city, county, and District of Columbia income and employment taxes from employees' salaries and accounting for and remitting these taxes are contained in I TFM 3-5000.

(8) **Allotments and Assignments of Compensation.**

(a) Instructions for withholding allotments for the purchase of series EE savings bonds and for related bond issuance procedures are contained in I TFM 3-6000.

(b) Instructions for withholding allotments and assignments of pay (for example, organization dues or pledges to combined charity drives) are contained in I TFM 3-7000.

(c) Instructions for making payments of net pay to financial organizations for a credit to accounts of employees and instructions for making the appropriate payroll designations are contained in I TFM 3-8000.

(9) **Benefits for Temporary Employees.** A temporary employee with continuous service for at least 1 year may enroll in a Federal health benefits plan by paying both the Government share and the employee share of the contribution. For this purpose, the temporary employee's service may have a break of 5 days or less and still be considered continuous. Effective 4-10-91, OPM revised its regulations to extend health benefits, life insurance, and retirement coverage to any employee serving under a temporary appointment when the appointment is specifically intended to lead to conversion to a permanent appointment and is needed to fulfill an eligibility requirement for the conversion. Such an employee is called a provisional employee. A provisional employee is not required to pay both the Government and employee share of the health benefits premium. When an employee is converted to a provisional appointment, he or she is given the opportunity to enroll or change enrollment in a health plan.

11. **PAYROLL VOUCHERS.** The PAY/PERS system produces payroll vouchers for payroll. These vouchers are certified by the Chief, Payroll Branch, and entered into the electronic certification system. An authorized certifying official then certifies the payroll and electronically transmits the voucher to Treasury. The detail payment data supporting the vouchers are transmitted to the Treasury Disbursing Center in Birmingham, Alabama, via a host-to-host computer link.

12. **TAXATION OF NONCASH FRINGE BENEFITS.** The Internal Revenue Code requires that certain noncash fringe benefits be included in an employee's income as compensation subject to income and employment taxes. Taxable noncash fringe benefits provided by the employer include automobiles used for commuting, aircraft flights for personal purposes, discounts on property or services (lodging accommodation and meal services), membership in social clubs, memberships in off-site health and fitness facilities, and tickets to entertainment or sporting events (IRS Final Regulations, 26 CFR 1.132). The Department shall include the amount of the noncash fringe benefits in the taxable wages of the affected employee. The payroll office shall withhold applicable income tax for noncash fringe benefits from the employee's wages on a quarterly basis; however, it shall withhold Social Security and the Medicare portion of Social Security, if applicable. The IRS Commuting Special Valuation Rule values an employee's use of an employer-provided automobile for commuting at a rate of $1.50 per one-way trip. The Department shall exclude an employee who uses a DOE-provided automobile for 12 or fewer round trips per year from reporting under its interpretation of the IRS de minimis rule.

13. **VOLUNTARY LEAVE TRANSFER PROGRAM.** DOE employees may voluntarily transfer earned annual leave to other Federal employees who have a medical emergency that is likely to result in prolonged absence with substantial loss of income. Only earned and restored annual leave may be donated; sick leave may not be donated. A DOE employee may request that a specified number of hours of his or her earned annual leave balance be transferred to the account of a specific approved leave recipient. To donate leave, the donor

must give a completed DOE F 3630.1, “Leave Donation,” to his or her time and attendance clerk for transmission to the payroll office. The total amount of leave that a donor may transfer to other Federal employees is subject to the limits specified in paragraph 46(7) of DOE O 322.1, Pay and Leave Administration and Hours of Duty. When donating leave to an employee of another agency, the donor must pay particular attention to items concerning the recipient’s employing agency and organization and the mailing address of the recipient’s payroll office. The DOE payroll office shall deduct the donated leave from the donor’s leave account and transmit the approved donation form to the recipient’s payroll office. Donated leave is considered income to the recipient and is subject to FICA, Medicare, and Federal unemployment taxes and income tax withholding.

14. SERVICE CREDIT.

a. Service Credit Deposits Under the Civil Service Retirement System for Post-1956 Military Service procedures are outlined below (the “CSRS and FERS Handbook for Personnel and Payroll Offices” provides additional information on this topic):

(1) A person who first became an employee in a position under CSRS on or after 10-1-82 shall receive CSRS credit for post-1956 military service at time of retirement only if the person makes a deposit for the military service. The deposit shall be 7 percent of basic military pay received, plus interest accruing after a 2-year grace period.

(2) A person who first became an employee in a position under CSRS before 10-1-82 shall have the option of either making the deposit for post-1956 military service or receiving credit and having the annuity recomputed at age 62 to eliminate post-1956 military service if the person is eligible for Social Security old-age or survivor benefits. Included is anyone who was covered by CSRS before 10-1-82 and again employed under CSRS on or after 10-1-82.

(3) Public Law 97-253 requires that deposits for post-1956 military service be made to the employee’s employing agency. The agency must maintain a separate Individual Retirement Record for each employee who makes a deposit for post-1956 military service. Each employee who makes a deposit to the agency shall have two SF-2806s, Individual Retirement Records, one for CSRS deductions and one for military service deposit. Under no condition shall a deposit made for military service be posted on the employee’s CSRS SF-2806.

b. Service Credit Deposits Under the Federal Employees’ Retirement System Post-1956 Military Service procedures are outlined below (5 CFR 842.306 and 842.307 provide additional information on this topic):

(1) Credit for a period of military service is not allowed if the employee is receiving military retirement pay for that period awarded for reasons other than service-connected disability incurred in combat with an enemy of the United States, service-connected disability caused by an instrumentality of war and incurred in the line of duty during a period of war, or retirement under 10 U.S.C. 67. With the preceding exceptions, an employee’s military service is creditable if it was performed before 1-1-57. Military service performed after 12-31-56 is creditable only if the employee makes payment of the deposit required by 5 CFR 842.307 before the employee separates from civilian service.

(2) An employee subject to FERS may make a deposit for any distinct period of military service by filing an application with the employing agency (5 CFR 842.307). The employee's deposit for military service must be completed before separation from civilian service. The amount of the deposit for military service shall be 3 percent of the basic pay for the service under 37 U.S.C. 207, or an estimate of the basic pay. The agency shall charge interest according to 5 CFR 842.307b. The agency must maintain two separate Individual Retirement Records for each employee who makes a deposit for post-1956 military service, one for FERS deductions and one for military service deposit.

c. Creditable Service for National Guard Technicians Under the Civil Service Retirement System and the Federal Employees' Retirement System. Public Law 101-530 eliminated the prerequisite for post-1968 service as provided in Public Law 99-661. Persons who applied for credit for pre-1969 service under Public Law 99-661 must continue to make payments to their employing agency. A person who has service as a National Guard technician before 1-1-69 but not after 12-31-68 is entitled to credit under CSRS or FERS, as appropriate, if the person has met the following conditions:

(1) A current employee must have separated from (or died while employed in) a position in which he or she was covered by CSRS or FERS on or after 11-6-90; and

(2) The person (or the person's survivors) must make a deposit equal to the percentage of deductions that would have been taken for retirement benefits for the period of service if it had been covered service at the time it was performed, plus any applicable interest, before final adjudication of the person's (or survivors') claim for benefits.

(3) For separated or retired persons:

(a) The person must have applied in writing to OPM for service credit no later than 11-5-91; and

(b) The person must make a deposit, either in a lump sum or in monthly installments to be completed no later than 24 months after the date of application.

d. Creditable Service with a Nonappropriated-Fund Instrumentality. Public Law 99-638 (effective 11-10-86) allows credit under CSRS for certain service with a nonappropriated-fund instrumentality. The agency must maintain two separate Individual Retirement Records for each employee, one for CSRS and one for the creditable service with a nonappropriated-fund instrumentality.

(1) The agency shall treat such a period of service in the same manner as any other period of nondeduction service. Generally, OPM will not require an employee who has performed such service to make a deposit to receive credit for the service. However, if a deposit is not made, OPM will reduce the employee's annuity benefits by 10 percent of the balance of the deposit due and unpaid at the time of retirement. To avoid the reduction, the employee may make deposits through regular service credit channels.

(2) Provided that the person is not receiving retirement benefits based on the same period of service from a nonappropriated-fund-instrumentality retirement plan, the person is entitled to credit for a period of nonappropriated-fund-instrumentality service under CSRS if the following conditions have been met:

(a) The person was employed in a position subject to CSRS on 11-9-86, and

(b) The person performed the service in a position where the person conducted arts and crafts, drama, music, library, service club, youth activities, sports, or recreation programs (including outdoor recreation programs) for personnel of the Armed Forces during the period 6-19-52 through 12-31-65.

e. Creditable Service with a Nonappropriated-Fund Instrumentality Under the Federal Employees' Retirement System. Rules for service credit with a nonappropriated-fund instrumentality under FERS are the same as for CSRS, except that the employee must make the deposit in order to use the service for eligibility for an annuity or in the computation of the annuity.

15. THRIFT SAVINGS PLAN. The Thrift Savings Plan is a retirement savings and investment plan for Federal employees. Congress established the plan in the FERS Act of 1986. It offers Federal civilian employees the same savings and tax benefits that many private corporations offer their employees. Employees covered by FERS and CSRS may contribute to the plan. The participation rules for FERS and CSRS employees are different. Employees should consult their personnel offices for more information on the Thrift Savings Plan.

a. Federal Employees' Retirement System. FERS employees receive an automatic contribution of 1 percent of their basic pay from their employing agency, whether or not they contribute to their Thrift Savings Plan accounts. FERS employees may contribute up to 10 percent of their basic pay each pay period to the plan. These employees receive agency matching contributions on up to 5 percent of basic pay that they contribute each pay period, dollar for dollar on the first 3 percent of pay contributed, and 50 cents on the dollar for the next 2 percent.

b. Civil Service Retirement System. CSRS employees may contribute up to 5 percent of their basic pay each pay period. CSRS employees do not receive any matching or automatic contributions from their agencies.

c. Requirements for Contributions. An employee must be in a pay status (receiving pay) to make contributions and to receive agency contributions for a pay period. All contributions must be made through payroll deductions. Lump-sum contributions from a source other than payroll deductions are not permitted. An employee may contribute either a percentage of the employee's basic pay or a fixed dollar amount. For most employees, basic pay is the same as gross salary earned; it does not include awards or overtime. Elections made during an open season become effective no earlier than the first full pay period of the last calendar month of the open season.

16. ALLOWANCES AND DIFFERENTIALS AT FOREIGN, NONFOREIGN, AND REMOTE-WORKSITE POSTS OF DUTY.

a. Foreign Allowances and Differentials.

(1) Authorities. Allowances and differentials for DOE employees stationed at foreign posts are contained in the Department of State Standardized Regulations (Government Civilians, Foreign Areas). With reference to the circumstances under which allowances and differentials are granted as well as their amounts, the Department of State Standardized Regulations are controlling on DOE.

(2) Documentation. The personnel office shall use Section 45, “Remarks,” of SF-50, “Notification of Personnel Action,” to document authorization for payment. Each employee shall prepare an SF-1190, “Foreign Allowance Application, Grant, and Report,” upon arrival at a foreign post of duty to apply for allowances and differentials. The employee shall transmit this application to the office responsible for sending the employee to the foreign post. The head of the Headquarters division or field office shall indicate approval by signing the original and transmitting it to the payroll office. To change rates for established allowances or differentials, to grant additional allowances or differentials, or to terminate existing allowances or differentials, the head of the Headquarters division or field office shall submit an approved SF-1190 to the finance office. Each approved SF-1190 shall serve as the basis of payment for the allowances and differentials.

(3) Advances.

(a) The Department shall make advance payment of temporary lodging only when required by the lessor. Each such payment shall not exceed the actual amount of advanced rent paid to the lessor, or the amount to which the employee would be entitled in accordance with the Department of State Standardized Regulations (section 113), whichever is less. In no case shall the length of time covered by the advance payment upon first arrival exceed 3 months or the advance payment preceding final departure exceed 1 month.

(b) The Department shall restrict authority for payment of living quarters allowances in advance to localities where local custom necessitates such advance payments and where the individual lessor requires the customary advance payment of rent.

(c) The Department may pay education allowances in advance by lump sum or by installment timed to coincide with need (Department of State Standardized Regulations, section 275). The Department shall make advances for educational travel in accordance with DOE 1500.2A, Travel Policy and Procedures, chapter 2, paragraph 2.

(d) The Department shall not make advance payments for post allowance, supplementary post allowance, separate maintenance allowance, or post differential.

(4) Federal Income Tax Withholdings. The payroll office shall make the required Federal income tax withholdings from the amounts of post differentials paid employees but not from the amounts paid for allowances described in chapters 100 and 200 of the Department of State Standardized Regulations.

(5) Report. The payroll office shall use SF-1190, “Foreign Allowance Application, Grant, and Report,” for reporting amounts granted to civilian officers and employees stationed at foreign posts in accordance with instructions and requirements set forth in section 070 of the Department of State Standardized Regulations.

(6) Program Charges. The payroll office shall charge allowances and differentials to the programs to which the related salary costs are charged. The office shall charge allowances to Object Class 12.0, Personnel Benefits, and post differentials to Object Class 11.0, Personnel Compensation.

b. Nonforeign Allowances and Differentials.

(1) Authorities. Cost-of-living allowances and post differentials for DOE employees at nonforeign posts are provided for in 5 CFR 591, subpart B.

(2) Documentation. The personnel office shall use section 45, “Remarks,” of SF-50 to document authorization for payment. In addition, the authorizing official shall notify the finance officer of the actual date of arrival at or departure from the post.

(3) Advances. Advances shall not be provided for nonforeign allowances and differentials.

(4) Maximum Payment. When both an allowance and a differential are authorized at a nonforeign post, the Department shall pay the eligible employee the full allowance first and, in addition, as much of the differential as will not cause the total amount for allowances and differentials to exceed 25 percent of the employee’s rate of basic pay.

(5) Federal Income Tax Withholdings. The payroll office shall make the required Federal income tax withholdings from the amounts of post differentials paid employees, but not from the amounts paid as cost-of-living allowances.

(6) Program Charges. The payroll office shall charge cost-of-living allowances and post differentials to the programs to which the related salary costs are charged. The office shall charge cost-of-living allowances to Object Class 12.0, Personnel Benefits, and post differentials to Object Class 11.0, Personnel Compensation.

c. Employees Detailed to Foreign and Nonforeign Posts. Effective 2-24-91, an employee on temporary detail for 42 consecutive days to certain post differential locations shall receive post differential for all days of temporary detail in lieu of any other post differential for which the employee may be eligible. The employee is authorized payment from the 1st day of detail through the last workday preceding the day of the employee’s departure from the post. The official directing the temporary assignment shall notify the payroll office when the employee has served 42 days. The official also shall notify the payroll office of the date the employee departs from the post.

The notification shall serve as the basis for the payment of and discontinuance of the post differential. (See State Department Standardized Regulations or the provisions of 5 CFR 591, subpart B, for additional information.)

d. Allowances Based on Duty at Remote Work Sites.

(1) Authorities. Executive Order 11609, dated 7-24-71, delegated to OPM the authority of the President under 5 U.S.C. 5942 to prescribe regulations establishing rates and designating sites to which the rates apply. OPM has prescribed regulations (5 CFR 591, subpart C) for the payment of allowances based on duty at remote worksites that apply to, for example, the Nevada Test Site (NTS). The Department shall determine employee eligibility for an allowance by the criteria stated in 5 CFR 591, subpart C. Reduction of NTS allowance rates (established under OMB Circular A-77, Performance of Commercial Activities) is prohibited unless OPM determines that an adjustment is warranted. Payment of this allowance precludes payment of a per diem allowance under other authority for employees permanently stationed at NTS. Use of a Government-owned motor vehicle to transport an employee between the employee's residence and the duty station is not authorized. Payment of mileage for use of a privately owned conveyance for such purpose also is not authorized.

(2) Documentation. The personnel office shall use section 39, "Duty Station," of SF-50, "Notification of Personnel Action," to document authorization for payment of the allowance.

(3) Conditions Under Which the Allowance Applies.

(a) To be eligible for the allowance, an employee must have a local residence in Las Vegas, Nevada, or its suburbs or reside at another locality that is 65 or more road miles from the duty station at NTS, and must normally commute on a daily basis between his or her residence and the duty station or must be required to reside at NTS for the benefit of the Government.

(b) The allowance is payable for each calendar day, or part thereof, that the employee works at NTS. The time and attendance certifying official shall certify days worked at NTS on the time and attendance report.

(c) The allowance is not payable on days the employee is absent from the NTS because of annual, sick, or other leave; approved absence; travel status; or holidays.

(4) Prescribed Rates. The allowance rates are as follows:

(a) Mercury, Nevada: $5.00

(b) Other duty stations at NTS, including the Nevada Rocket Development Station: $7.50

(5) Advances. The Department shall not provide advances for duty at remote worksites.

(6) **Federal Income Tax Withholdings.** The payroll office shall make the required Federal income tax withholdings from the remote-worksite allowance.

(7) **Program Charges.** Remote-worksite allowances shall be charged to the programs to which the related salary costs are charged and to Object Class 12.0, Personnel Benefits.

17. **PAYMENTS FOR UNEMPLOYMENT COMPENSATION.** The Omnibus Reconciliation Act of 1980 requires each Federal agency to pay the cost of regular and extended unemployment benefits paid to former agency employees by State employment security agencies (SESAs) for periods of Federal employment after 12-31-80. Federal agencies are charged by the Department of Labor on a quarterly basis for benefit payments made to respective agencies' former employees. The Department of Labor is immediately reimbursed for charges made through the On-Line Payment and Collection System. (Additional information is provided in 20 CFR 609.)

a. **Headquarters Payroll** performs the following tasks for employees paid:

(1) Upon receipt of Form ES 931, "Request for Wage and Separation Information," the payroll office shall complete the form and return it to the requesting SESA within 4 workdays. If the office cannot complete the form within 4 workdays, it shall immediately notify the State agency and provide an estimate of when it will be able to respond. The Privacy Act statement on form ES 931 need not be signed by the claimant before releasing wage and separation information to SESAs. Information necessary to complete form ES 931 may be obtained from the employee's SF-50. When the remarks section of the SF-50 does not clearly indicate the reason for termination or in the event that the termination action is due to a reduction in force and the SF-50 does not reflect whether or not the employee has turned down a comparable job offer, the payroll office shall consult the servicing personnel office to provide a complete response. The payroll office shall include in the submission to the requesting SESA the name, telephone number, and organization unit of a contact person who can respond to questions pertaining to the form ES 931. Upon receipt of a request for additional information or a request for reconsideration of Federal findings, the office should respond within 4 workdays, if possible.

(2) The payroll office shall forward all notices of benefit determination and all employee appeals of State decisions to the appropriate servicing personnel office upon receipt. Fast turnaround is essential, because the Department has a short time within which to respond to SESA decisions.

b. **Capital Accounting Center.** The Capital Accounting Center shall perform the following:

(1) Reconcile the total of each State's detailed billing data to the amount listed for each State on the certified billing document.

(2) Reconcile discrepancies in detailed billing documents by direct negotiation with the appropriate SESA. The office shall bring unreconcilable discrepancies to the attention of the Department of Labor, Employment and Training Administration, 601 D Street, N.W., Washington, DC 20213.

(3) Reconcile Thrift Savings Plan (TSP) withholdings with the TSP record keeper.

(4) Charge the applicable appropriation at the field or Headquarters location for unemployment benefits that States have paid to former DOE employees. The office shall charge the highest program level within each organization (for example, Secretarial Officer, Manager of Operations Office, or Administrator of Power Marketing Administration). The office shall charge costs associated with defunct organizations and appropriations to organizations that absorbed the defunct organizations' functions or financial responsibilities. The office shall charge Object Class 13.0, Benefits for Former Personnel.

(5) Provide (in writing in the month the charge is applied) organizations billed with the names of separated employees and the amounts of benefits awarded to them in order to support billings to these organizations.

(6) On a quarterly basis, determine whether any employees listed on the detailed listing of benefits paid by States have been on the DOE payroll during the same periods for which benefits have been reported to be paid. The office shall report to the appropriate SESA the name, social security number, and periods of employment that appear to be concurrent weeks in which unemployment benefits were reported to be paid. The office also shall request the SESA to provide DOE with a report of its findings and action.

(7) On a fiscal year basis, the Capital Accounting Center shall prepare a consolidated report of the cases referred to the SESA's each quarter and forward it to the Department of Labor (Attn.: TEUMI) as soon as such information may be collected. The report shall include the following:

(a) Name and social security number of the employee;

(b) Periods in which the employee received both unemployment benefit payments and Federal pay;

(c) Total benefit payments received while the employee was employed;

(d) Corrective or disciplinary action taken by the agency (this information may be obtained from the servicing personnel office); and

(e) Name of the SESA.

c. Servicing Personnel Offices shall do the following:

(1) Provide to all newly hired and rehired employees the following statement:

"If you have applied for or been receiving unemployment insurance benefit payments, it is your responsibility, under penalty of law, to notify the appropriate local office, in writing, to discontinue the issuance of unemployment insurance checks now that you are employed. Failure to notify the State agency can result in a penalty, such as a fine, imprisonment, or both."

(2) Provide each separating employee with a completed SF-8, “Notice to Employee About Unemployment Insurance,” immediately prior to separation and instruct the employee to take the SF-8 to the local SESA office if the employee goes to file a claim for unemployment compensation benefits. The SF-8 shall include the name, telephone number, and organization unit of a contact person who can readily respond to questions pertaining to that specific claim.

(3) Ensure that each SF-50, “Notification of Personnel Action,” is complete, including the reason for an employee’s separation.

(4) Consult with affected program offices to determine whether to file an appeal on behalf of DOE when a former employee has filed for benefit payments and the employee has resigned, been fired, or is receiving severance pay.

(5) Review all employee appeals of notices of benefit determination and provide timely responses to the SESAs.

18. LUMP-SUM ANNUAL LEAVE PAYMENTS.

a. Employees Separated from Federal Service and Survivors of Deceased Employees. The Department shall make a lump-sum payment to a civilian officer or employee of the Federal Government or the survivor of a deceased employee for all annual leave to which the employee was entitled on the date of separation or the date of death. Annual leave consists of the regular carryover balance from the previous leave year, accrued and unused leave during the current leave year, and any unused restored annual leave maintained in a separate leave account that has not expired in accordance with the 2-year time limit. No credit is given for holidays. The compensation shall be equal to the amount that the employee would have received had the employee remained in service until the expiration of the period of such annual leave, except that such lump-sum payment shall not include compensation for leave on leave, which violates the prohibition on terminal leave (see Comptroller General decisions B-190374, 1-20-78, and B-223876, 6-12-87).

b. Computation of Lump-Sum Annual Leave Payment. The salary rate used in computing an employee’s lump-sum payment shall be that payable under the laws and regulations in effect or approved and in existence on the date of the employee’s separation or death. However, if the employee had met all other conditions for a within-grade increase before the date of separation or death, the lump-sum payment shall be computed at the increased rate, even though the effective date of the increase had been postponed until the beginning of the next pay period after the completion of the required waiting period (26 Comp. Gen. 102).

c. Withholdings from Lump-Sum Payments. Withholdings from lump-sum annual leave payments due a terminated employee are limited to Federal income and Federal Insurance Contributions Act taxes; State, city, and District of Columbia income and employment taxes; and general debts due the United States as described in paragraph 10.

19. COURT LEAVE.

a. Employees (except those on a when-actually-employed or intermittent work schedule) may be granted court leave without charge to annual leave for jury duty in any court or witness service in a nonofficial capacity on behalf of the United States, a State or a local government, or the District of Columbia in accordance with 5 U.S.C. 6322. An authorized absence is granted without loss of or reduction in pay, leave to which otherwise entitled, or credit for time or service.

b. Provisions in 5 U.S.C. 5537 prohibit the receipt by any Federal employee of fees for service as a juror in a court or as a witness on behalf of the United States or the District of Columbia. Provisions in 5 U.S.C. 5515 provide that fees received by an employee of the United States on account of jury service in a State or a local court or witness service, either on behalf of a State or a local government in an official or nonofficial capacity or on behalf of a private party in an official capacity, shall reduce the pay that otherwise would be payable to the employee for that period of absence (29 Comp. Gen. 302). However, employees may retain the fees for jury or witness service in a United States or District of Columbia court if such service is on a holiday or other nonworkday (45 Comp. Gen. 251 and 21 Comp. Gen. 293). For each hour of jury service performed outside the duty hours that an employee would have been required to work on a given day, the employee is entitled to retain a proportionate part of the jury fee for that day (53 Comp. Gen. 407). Also, specific amounts that clearly are received for expenses, rather than for services rendered, may be retained by a Federal employee serving in a State court (52 Comp. Gen. 325).

(1) Jury and Witness Service. The Comptroller General has ruled that, for each employee, payroll records shall show the days of service as a juror or a witness and the daily fee paid, the amount received from the State or locality, and a reference to the number and the date of the certificate of deposit covering the deposit of such fees collected from the employee. Also, the record shall include a jury duty or witness service certificate submitted by the employee and signed by the clerk of the court (20 Comp. Gen. 279).

(2) Payroll Procedures. Upon receipt of a time and attendance report showing an employee absent for jury or witness service, the servicing finance office shall establish a followup to ensure collection of jury or witness fees from the employee involved. If payment is not received from the employee, it shall be withheld from the employee's salary. To support the court leave and collection of jury or witness fees, the employee must submit a jury duty or witness service certificate signed by the court clerk. The payroll office shall annotate the employee's leave record as set forth in paragraph 19a. The Department shall treat collections of jury or witness fees as appropriation reimbursements.

20. EMPLOYEES TRANSFERRED TO INTERNATIONAL ORGANIZATIONS. An employee who transfers to an international organization under the provisions of the Federal Employees International Organization Service Act (Public Law 85-795; 5 U.S.C. 2331 et seq.) may elect to retain CSRS or FERS, group health benefits, and group life insurance coverage by continuing payments on a current basis.

a. Payment by a Transferred Employee. A transferred employee shall pay DOE the amount of withholdings that would be made if the employee were to continue in the

position in which the employee was serving at the time of transfer. The employee shall make payments in advance to cover not less than a calendar quarter, after initial notification by the payroll office that such payments are required. Also, the office shall notify the employee of any change required in advance payments based upon notification by the personnel office of any change in the employee's basic compensation or group health benefits and life insurance coverage and rates. The employee is responsible for submitting payments early enough to ensure receipt by DOE on or before the due date. However, if payment is received by the Department within 3 months after the end of the first pay period it covers, it shall be considered currently received (5 CFR 352.309(c)). If an employee fails to keep payments current, the personnel office shall be advised of that failure together with the dates of the last pay period for which payment was received.

b. Accounting.

(1) Deposit of Employees' Payments. All transferred employees are billed by and payments made to the Capital Accounting Center for deposit to Account 89X6875, Suspense, DOE.

(2) Payments to the Office of Personnel Management (OPM). The Payroll Branch then accounts for the deposit in PAY/PERS which includes the deposit in the biweekly remittance to OPM via the Retirement Insurance Transfer System (RITS).

(3) Contributions by DOE. DOE shall contribute and include in the check payable to OPM each pay period its related share of the employee's payment for retirement, health benefits, and life insurance. Such payment is remitted to OPM via RITS and shall be charged to the program to which the employee's salary costs were charged at the time of transfer and to Object Class 12.0, Personnel Benefits.

(4) Memorandum Individual Earnings and Leave Record. For the purpose of maintaining a current record of the transferred employee's retirement, health benefits, life insurance coverage, and leave status, the payroll office shall record the following data on a memorandum individual earnings and leave record for the employee:

(a) Basic compensation rate at the time of transfer;

(b) Each change in the basic compensation rate;

(c) Each change in retirement, health benefits, and life insurance coverage;

(d) The amount of each advance payment received from the employee for retirement, health benefits, and life insurance;

(e) The amount paid to OPM each pay period from the employee's advance deposit for retirement, health benefits, and life insurance;

(f) Sick and annual leave balances at the date of transfer; and

(g) Amount and date of payment of lump-sum annual leave payments made subsequent to the transfer.

21. REEMPLOYMENT FROM AN INTERNATIONAL ORGANIZATION.

a. Entitlement. Upon reemployment from an international organization, an employee is entitled to payment of an equalization allowance if the international organization pay and other monetary allowances were less than the employee would have received had the employee been detailed to the international organization from the employee's Federal job (FPM, chapter 352).

b. Computation of Allowance.

(1) Federal Government. For the Federal Government, the payroll office shall take the following factors into account when calculating the equalization allowance:

(a) Gross salary, less hypothetical U.S. Federal tax determined in accordance with 5 CFR 352.310;

(b) Living quarters allowance;

(c) Post allowance;

(d) Post differential; and

(e) Education allowance.

(2) International Organizations. For an international organization following the Common System of Salaries and Allowances of the United Nations and Specialized Areas (for internal organizations not using the United Nations pay system, the amount actually paid to the employee shall be used in lieu of gross salary less staff assessment), the payroll office shall take the following factors into account when calculating the equalization allowance:

(a) Gross salary, less staff assessment (also termed pensionable remuneration);

(b) Post adjustment;

(c) Dependent grant;

(d) Repatriation grant;

(e) Education allowance; and

(f) Special post allowance.

c. Employee Actions While on Transfer. At the end of each calendar year and at the end of the term of employment, a transferred employee shall furnish the payroll office with the following:

(1) A statement, certified by an official of the international organization, of all payments for salary, allowances, and other monetary benefits received from the international organization;

(2) A statement of any change in family status and the applicable date; and

(3) SF-1190, "Foreign Allowance Application, Grant, and Report."

d. DOE Actions While an Employee is on Transfer. To maintain a current record at the end of each calendar year, the payroll office shall furnish the employee with a statement showing the amount to which the employee would have been entitled if the employee had been on detail.

22. MILITARY LEAVE. The maximum length of military leave permitted during any fiscal year is determined by the nature of the military duty. A reservist of the Armed Forces or a member of the National Guard is entitled to 15 days per fiscal year for official military duty, without loss of pay, time, performance, or efficiency rating. Temporary, intermittent, and when-actually-employed personnel are not entitled to military leave. Temporary indefinite employees are entitled to 15 days per fiscal year for official military duty, and part-time permanent employees accrue military leave at a rate proportionate to the number of hours in the regularly scheduled work week. The payroll office shall obtain a copy of the employee's military orders and retain the copy in the employee's payroll file. Nonworkdays (for example, weekends) falling within a period of absence on military duty are chargeable as military leave, and the employee cannot circumvent this requirement by taking annual leave before or after the nonworkdays (unpublished Comp. Gen. Decision B-141493, 1-7-60). Procedures and the provisions of pertinent laws and regulations are covered in DOE O 322.1, Pay and Leave Administration and Hours of Duty.

23. EMPLOYEES ASSIGNED UNDER THE INTERGOVERNMENTAL PERSONNEL ACT.

a. Detail. A DOE employee detailed under the Intergovernmental Personnel Act (5 U.S.C. 3371-3376) to a State or local government or to an institution of higher education will retain entitlement to pay and allowances. The employee will continue to earn leave under the Federal system and to have appropriate absences from duty with the State or local government charged against that leave. (See DOE 3300.3, Employment.)

b. Assignment on Leave Without Pay. The State or local government will pay any DOE employee assigned to it on leave-without-pay status from the Federal Government. If the rate of pay of the State or local government appointment is less than the employee would have received had the employee continued to work in the DOE position, the employee will be entitled on a current basis to a supplementary salary from DOE that will be equal to the difference between the State or local basic pay and the employee's current basic pay as a DOE employee. The employee assigned on leave-without-pay status will earn leave at the rate that the employee would have earned had the employee remained on duty with DOE, and the employee will be entitled to continue retirement, life insurance, and health benefits by continuing to make payments to DOE on a current basis.

c. Exceptions. The procedures detailed in paragraphs 20a and 20b, with the exception of paragraph 20b(4)(g), shall be followed with respect to an employee who elects to continue retirement, group health benefits, or group life insurance. Paragraph 20b(4)(g)

is not applicable to an assignment under the Intergovernmental Personnel Act, because the employee is not separated from DOE, but rather remains on leave-without-pay status.

24. RESPONSIBILITIES FOR FINAL PAY. The responsibilities for ensuring the timely processing of final pay for a terminating or separating employee are as follows:

a. The personnel office shall ensure that all personnel and associated documents relative to the separation of the employee are forwarded to the payroll office promptly.

b. The administrative officer shall initiate DOE F 3295.1, “Separation Clearances,” promptly and ensure that employees leaving the Department are made aware of the importance of having the form fully completed as a part of the checkout process. The administrative officer also shall complete SF-52, “Request for Personnel Action,” to document each departure.

c. The supervisor shall assist the administrative officer, the employee, and the personnel office by providing early notification of the employee’s intent to leave the Department and by initiating and completing any other separation forms, as required.

d. The employee leaving the Department shall hand-carry DOE F 3295.1 through the checkout process with appropriate clearing officials and shall participate in an exit interview conducted by the employee’s servicing personnel operations branch.

e. The DOE payroll offices shall ensure that all final salaries for separating employees are paid properly and in a timely manner, that any employee indebtedness due the Government is properly offset against final salary, and that retirement records are submitted promptly to OPM.

25. EMPLOYEES WHO DIE IN SERVICE.

a. Procedure. When an employee dies in service, the administrative officer shall notify the personnel specialist who works with the employee’s organization. The formal notice from the administrative officer to the personnel specialist is SF-52, “Request for Personnel Action.” The personnel specialist shall notify the payroll office of the death by transmitting SF-50. The personnel specialist also shall provide the payroll office with a death certificate, a designation of beneficiary (if the deceased filed one), and claim forms filed by the claimants. The personnel office shall notify the eligible claimants about claim forms and instructions for filing. (See paragraph 25d for a description of the claim forms and paragraph 25b for a discussion of the designation of beneficiary.)

b. Designation of Beneficiary. SF-1152, “Designation of Beneficiary, Unpaid Compensation of Deceased Civilian Employee,” is prescribed for use by an employee to designate a beneficiary or to change or revoke a previous designation. However, in the absence of the prescribed form, any designation, change, or cancellation of beneficiary witnessed and filed in accordance with these procedures shall be acceptable. An employee may designate any person or persons as beneficiary. The term “person or persons” as used in these procedures includes a legal entity or the estate of the deceased employee.

c. Unpaid Compensation. Unpaid compensation is the pay and allowances due on account of the services of the decedent for DOE. It does not include benefits, refunds, or interest payable under 5 U.S.C. 83, subchapter III, applicable to the service of the deceased employee, or amounts for which Federal statute expressly prescribes the disposition. Unpaid compensation shall include, but not be limited to, the following:

(1) Per diem in lieu of subsistence, mileage, and amounts due in reimbursement of travel expenses, including incidental and miscellaneous expenses in connection with the travel for which reimbursement is due;

(2) Allowances on change of official station;

(3) Quarters and cost-of-living allowances and overtime or premium pay;

(4) Amounts due for payment of cash awards for the employee's suggestions;

(5) Amounts due as refunds of pay deductions for U.S. savings bonds;

(6) Payment for accumulated and current accrued annual leave equal to the pay that the decedent would have received had the employee lived and remained in service until the end of the period of such annual leave;

(7) Amounts of checks drawn for pay and allowances that were not delivered by DOE to the employee during his or her lifetime;

(8) Amounts of unnegotiated checks returned to the Federal Government because of the death of the employee; and

(9) Retroactive pay under 5 U.S.C. 5344(a)(2).

d. Employee's Death. As soon as practicable after the death of an employee, the personnel specialist shall request each designated beneficiary to execute SF-1153, "Claim for Unpaid Compensation of Deceased Civilian Employee." If no beneficiary was designated, the surviving spouse—or, if there is no surviving spouse, the person or persons next in order of precedence in accordance with 5 U.S.C. 5582—would execute the SF-1153. When the designated beneficiary is the estate of the decedent, the personnel specialist shall furnish the legal representative, heir, or heirs of the decedent with SF-1055, "Claim Against the United States for Amounts Due in the Case of a Deceased Creditor." The personnel specialist shall provide any assistance that the claimants need to properly execute the forms.

e. Doubtful Claims. The Department shall pay a claim for unpaid compensation due a deceased employee only upon settlement by the Claims Division of GAO in either of the following cases:

(1) When doubt exists as to the amount or validity of the claim, or

(2) When doubt exists as to the person(s) properly entitled to payment.

f. Claims Involving Minors or Incompetents.

(1) If a guardian or a committee has been appointed for a minor or an incompetent, the claim must be supported by a short certificate of the court showing the appointment and qualification of the guardian or committee.

(2) If no guardian or committee has been or will be appointed, the initial claim must be supported by a statement showing the following:

(a) The claimant's relationship, if any, to the minor or incompetent;

(b) The name and address of the person having care and custody of the minor or incompetent;

(c) That any moneys received will be applied to the use and benefit of the minor or incompetent; and

(d) That the appointment of a guardian or committee is not contemplated.

g. Return of Unnegotiated Government Checks. Claimants should return to the DOE payroll office that authorized the check any unnegotiated U.S. Government check drawn to the order of the decedent that represents unpaid compensation. The personnel specialist shall instruct claimants to return any other U.S. Government check drawn to the order of the decedent for some other purpose (such as veterans benefits, Social Security benefits, or Federal tax refunds) to the agency that issued the check. Claimants should request further instructions from that agency.

h. Disbursement Voucher. Upon receipt of a duly executed SF-1153, "Claim for Unpaid Compensation of Deceased Civilian Employee," or SF-1055, "Claim Against the United States for Amounts Due in the Case of a Deceased Creditor," and any unnegotiated or undelivered U.S. Government checks, the Payroll Branch (CR-431) shall promptly prepare SF-1154, "Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee," for the amount of the unpaid compensation. The SF-1154 shall be supported by the details of the unpaid compensation. (Title 4, chapter 3, subsection 23.2, of the GAO Policies and Procedures Manual for Guidance of Federal Agencies provides further information.)