

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 285

RIN 1510-AA74 and RIN 1510-AA64

Offset of Federal Benefit Payments to Collect Past-due, Legally Enforceable Nontax Debt

AGENCY: Financial Management Service, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: The Debt Collection Improvement Act of 1996 requires the Federal Government to withhold or reduce certain Federal payments for the purpose of collecting delinquent nontax debts owed to the United States by the payee. This process is known as "administrative offset" or "offset." This final rule governs the offset of Federal benefit payments issued under the Social Security Act (other than Supplemental Security Income), part B of the Black Lung Benefits Act, and any law administered by the Railroad Retirement Board (other than tier 2 benefit payments). A notice of proposed rulemaking was published in the **Federal Register** on August 21, 1998, by cross-reference to an interim rule published in the **Federal Register** on the same day. This final rule adopts the interim rule without change.

DATES: This rule is effective January 22, 1999.

FOR FURTHER INFORMATION CONTACT:

Gerry Isenberg, Financial Program Specialist, at (202) 874-6660; Martin Mills, Treasury Offset Program, at (202) 874-8700; Ellen Neubauer or Ronda Kent, Senior Attorneys, at (202) 874-6680. A copy of this final rule is being made available for downloading from the Financial Management Service web site at the following address: <http://www.fms.treas.gov/debt>.

SUPPLEMENTARY INFORMATION:

Background

The Debt Collection Improvement Act of 1996, Pub. L. 104-134, 110 Stat. 1321-358 (April 26, 1996), requires the Federal Government to withhold or reduce certain Federal payments for the purpose of collecting delinquent nontax debts owed to the United States by the payee. This process is known as "administrative offset" or "offset." On August 21, 1998, the Financial Management Service (FMS) published in the **Federal Register**, 63 FR 44991, a notice of proposed rulemaking (NPRM) concerning the offset of Federal benefit payments issued under the Social Security Act (other than Supplemental Security Income), part B of the Black Lung Benefits Act, and any law administered by the Railroad Retirement Board (other than tier 2 benefit payments). An interim rule with request for comments, published in the **Federal Register** on the same day, 63 FR 44986, served as the text for the NPRM. The closing date for the submission of

comments regarding the proposed and interim rules was September 21, 1998.

Comments on the Proposed and Interim Rules

FMS did not receive any comments on the proposed rule by the close of the comment period. Likewise, FMS did not receive any comments on the interim rule which served as the text for the proposed rule. Therefore, the interim rule is adopted, without change, as a final rule.

Regulatory Analysis

This final rule is not a significant regulatory action as defined in Executive Order 12866. It is hereby certified that this rule will not have a significant economic impact on a substantial number of small entities. The basis for this certification is that this rule only impacts individuals who owe delinquent debt to the United States and receive the benefit payments discussed above. Therefore a regulatory flexibility analysis is not required.

Adoption as Final Rule

Accordingly, the interim rule adding § 285.4 to 31 CFR part 285, subpart A, which was published at 63 FR 44986 on August 21, 1998, is adopted as a final rule without change.

Dated: December 16, 1998.

Richard L. Gregg,

Commissioner.

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