

## 13. WAIVERS AND REMISSIONS OF INDEBTEDNESS

### 1. OVERVIEW

#### 130101. GENERAL

##### A. References

1. Waiver of Indebtedness.
  - a. Title 10 U.S.C. 2774 Claims for Erroneous Payment of Pay and Allowances
  - b. DoDD 1340.22\_Waiver of Debts Resulting from Erroneous Payments of Pay and Allowances,
  - c. DoDI 1340.23 Waiver Procedures for Debts Resulting from Erroneous Payments of Pay and Allowances.
2. Remission or Cancellation of Indebtedness.
  - a. Title 10 U.S.C. 6161 Settlement of accounts: remission or cancellation of indebtedness of members.
3. Waivers and Remissions.
  - a. DoDFMR, Vol 16
  - b. Authority to Settle Claims, Title 31 U.S.C 3702
  - c. Marine Corps Order 4650.39, Defense Travel System (DTS), Chapter 9.

##### B. Statute of Limitations

1. Title 10 U.S.C. 2774. An application for waiver of indebtedness submitted under this statute must be received by the DoD Component concerned within 5 years of the date of discovery.
2. 31 U.S.C. 3702. An application for remission or cancellation of indebtedness must be received by the DoD Component concerned within 6 years of the date the claim accrued. (A claim accrues on the date when everything necessary to give rise to the claim has occurred.) When the claim of a member of the Armed Forces that accrue during war or within 5 years before war begins, the claim must be received 5 years after peace is established or the claim must be received by the agency from which the claim arises within 6 years whichever is later.

##### C. Definitions and Clarification of Terms.

1. Pay. All elements of military pay, including but not limited to basic, special, incentive, readjustment, severance, retired, retainer, and inactive duty training pay, reenlistment bonuses, and lump sum leave (LSL).
2. Allowances. All elements of military allowances including, but not limited to: subsistence, quarters, uniforms, personal money, family separation, and overseas station allowances. This includes travel and transportation allowances.

3. Erroneous Payment(s). A payment that was not legal and proper when made. It does not include a payment that was legal and proper when made, but for which a member became indebted in whole or in part because of circumstances thereafter occurring. Most indebtedness is the result of an erroneous payment or payments. Examples of cases that would not be considered erroneous payments are advance leave which became excess when a member was separated early, or reenlistment bonuses not fully earned at the time of separation, change of MOS, etc.

***NOTE 1: Outstanding Travel Advances (OTAs) are not eligible for Waiver or Remission. OTAs are the result of an unsettled travel voucher. DO/FOs will not accept an application for Waiver or Remission for OTAs. The application will be rejected, directing the member to submit a travel voucher to settle the OTA.***

4. Good Faith. The member did not know and had no reason to know of or suspect an overpayment. If the member did suspect an overpayment, in order to be considered a payment received in good faith the member must have:

- a. Questioned the validity of the payment immediately with the proper authority
- b. Been provided persuasive assurances that the payment was proper.

5. Hardship. Normally, hardship is considered when a catastrophic situation has occurred that has left the member in such a financial bind that repayment of the debt could trigger bankruptcy. A hardship of any kind can be considered for setting a lower than normal repayment rate over a longer period of time if the financial hardship is documented. A financial hardship is only considered when specifically requested and only applies for remission consideration, not waiver consideration. The member must provide substantiating documents to corroborate the amounts reflected on the financial statement (NAVMC 11082). A remission will generally not be considered if a financial hardship that would exist from collection of the debt is the sole criteria for the remission request. Further, a hardship will not be considered if it was a hardship created by the member. Such as, but not limited to, personal negligence or poor money-management. A member claiming any kind of hardship should be expected to provide documented proof if requested.

**NOTE:** A member is less likely to be considered for financial hardship if the member's financial situation was due to personal negligence or poor money-management.

6. Compassion/Injustice. Recovery of the debt when circumstances are such that it may be inappropriate or bring discredit/embarrassment to the service. This includes but is not limited to such circumstances as: death in the family, sickness, hospitalization, natural disasters, wounded in action (WIA) (see 130104), and other situations that may affect a person's ability to think clearly or be aware of circumstances that caused the debt.

7. Value to the Service. This applies to the member's record of service and their value, especially in terms of recruiting or retention efforts where an unfavorable decision could contribute to the loss of an asset to the Marine Corps.

8. Administrative Officer. This is the senior MOS 01XX or civilian equivalent responsible for providing administration, pay and personnel support to the CO. In most cases this is the Installation Personnel Administration Center (IPAC) director for commands supported by an IPAC. For separate commands not supported by an IPAC this will be the Personnel Officer where assigned.

**NOTE:** A member's experience, time in service, grade, and occupational specialty will also be considered when considering the member's awareness of general military pay and allowances.

D. Statutory Applicability. All waiver applications will be processed pursuant to the authority of

10 U.S.C. 2774. Applications that do not meet the criteria for waiver under 10 U.S.C. 2774 may be processed pursuant to 10 U.S.C. 6161 as a remission or cancellation of indebtedness at the discretion of the DoD Component concerned, provided it meets the statutory criteria. Whenever an application meets the criteria of both statutes and is disallowed under one or the other, it may be considered under the provisions of the remaining statute at the request of the member.

E. Standards of Consideration. Application and processing procedures on all requests for waiver or remission of a debt will be in strict accordance with the guidelines and standards contained in this chapter. Failure to comply with these guidelines and standards will result in the application being returned to the appropriate echelon for correction and resubmission.

1. Waiver of Indebtedness. Waivers of indebtedness are authorized under 10 U.S.C. 2774 and may only be considered for erroneous payments. The key criteria for waivers are that it must be an erroneous payment that the member did not know or could not have reasonably known it was erroneous when received; and there was no indication of fraud or misrepresentation by the member. Financial hardship is not a factor for waivers.

2. Remission or Cancellation of Indebtedness. Any service member or former service member with an indebtedness resulting from erroneous payments must first apply for relief via the waiver process. If the waiver is denied, then the member may apply for a remission of the indebtedness. Most debt related to military pay and travel allowances may be considered for a remission provided the Department of the Navy has authority over the debt in question. It does not matter if the debt was the result of an erroneous payment. There is a broader scope in the criteria that a service may consider for remissions and this includes things such as whether the payment was received in good faith; if it would create significant financial hardship on the member if required to repay; the member's value to the service; possible deterioration of morale; and whether collection would be an injustice. The Marine Corps only has the authority to remit, in part or in whole, approvals up to \$20,000 and denials up to \$10,000. Any remission application that exceeds the adjudication threshold of the Marine Corps will be forwarded to be adjudicated by the Secretary of the Navy.

F. Notification procedures.

1. Routine Administrative Adjustment. Routine administrative adjustments consist of administrative adjustments that correct overpayments resulting from clerical or administrative errors, delays in processing pay documents, or an automated pay system error, which is discovered and collected within no more than 2 monthly pay periods after the date of overpayment, or adjustments of \$50 or less (regardless of when discovered or collected).

NOTE: Travel debts greater than \$10.00 are not considered routine administrative, and require processing under the due process procedures.

a. The requirement for due process does not apply to routine administrative adjustments of pay. However, the member shall be provided with notice of adjustment when it is made, or as soon thereafter as practicable. The notice should provide a point of contact at the DO/FO for any questions or disputes the member may have.

2. "No Pay Due" Notice. To prevent hardship to the member, a "no pay due" management notice will be generated by MCTFS to the servicing DO/FO when a debt creates a "no pay due" situation for that member.

3. Due Process Procedures. Before initiating any collection action other than routine adjustments, the member shall be given at least 30 days written notice of the indebtedness. These procedures

do not apply when the member has previously consented to collection of the debt or when there is no sufficient time to collect the debt prior to the member's EAS/ECC. The notice shall stipulate:

- a. The nature and amount of the debt due the United States, and the intent to commence collection through deductions from pay.
- b. That the member has the opportunity to inspect and copy government records related to the debt.
- c. That the member has an opportunity for review of all the decisions related to the debt.
- d. That the member has an opportunity to enter into a written agreement with the CO under terms agreeable to both parties to establish a schedule for repayment of the debt.
- e. That any portion of the debt remaining uncollected at the time of the member's separation shall be collected from the member's final pay and allowances.
- f. That the member has the right to seek waiver or remission/cancellation of the debt, if appropriate.

NOTE: The procedures specified in routine administrative adjustments need not be completed prior to commencement of collection action if the time remaining before the member's estimated date of separation is not sufficient to complete collection and the Government would be substantially prejudiced in its ability to collect the debt.

4. Non-Wounded Warrior. The CO or Disbursing/ Finance Officer who discovers the debt will immediately inform the Marine in writing. The Marine shall be counseled by the CO regarding their right to request waiver consideration. Retirees, Fleet Marine Corps reservists, former Marines, or person(s) who received erroneous payments on behalf of the aforementioned Marines, shall be notified in writing as to the nature of the debt and their right to request waiver consideration. The notification shall include instructions on applying for such consideration.

5. Wounded Warrior. Upon discovery of the debt, the CO or DO/FO shall notify the Wounded Warrior Battalion to assist with request for waiver of remission. This will help to ensure immediate processing of requests for Marines classified as Wounded In Action (WIA), Wounded, Ill, Injured (WII) returning from a combat zone, or for any person(s) authorized travel (i.e. Invitational Travel Orders (ITO) or designated as Non-Medical Attendant) on behalf of a Marine in one of the aforementioned classifications. Additional instructions specifically for Wounded Warrior waivers and remissions can be found in section 130104.

## 2. WAIVERS

### 130201. CRITERIA AND ADJUDICATION

A. General. A claim of the United States against a person arising out of an erroneous payment of any pay or allowances, including travel and transportation paid on or after 2 October 1972, to or on behalf of a member or former member of the uniformed services, the collection of which would be against equity and good conscience and not in the best interest of the United States, may be waived in whole or in part by the Heads of DoD Components or their designee or by the director, Defense Office of Hearing and Appeals (DOHA). An erroneous payment, the collection of which is waived under this section, is considered a valid payment for all purposes. All waivers will be submitted via DTMS.

1. DFAS-IN. Serves as the Marine Corps designee to approve or deny waivers under the following conditions:

a. The claim is in an amount aggregating not more than \$10,000.

b. The claim is not the subject of an exception made by the DOHA in the account of any Accountable Officer/Official.

2. The Director, Defense Office of Hearings and Appeals (DOHA). When requested by the Director, the General Counsel of the Department of Defense (GC, DoD) or designee shall consult on, or render opinions concerning questions of law or equity that arise in the course of the performance of DOHA responsibilities. DOHA has the authority to approve or deny all other waivers outside the authority designated to DFAS-IN.

3. Conditions for non-approval of Waivers. DOHA or the Head of DoD Component concerned (DFAS-IN), may not exercise authority to waive any claim if any of the following conditions applies:

a. If, in connection with the claim, there is an indication of fraud, misrepresentation, fault, or lack of good faith on the part of the member or any person having an interest in obtaining a waiver of the claim.

b. An application for waiver is received 5 years after the date the erroneous payment was discovered.

4. A person who has repaid the United States all or part of the amount of a claim, with respect to which a waiver is granted under this section, is entitled to the extent of the waiver, to a refund of the amount repaid to the United States by the department concerned at the time of the erroneous payment, if the member applies to that department for that refund within 2 years of the effective date of the waiver. The Secretary concerned shall pay from current applicable appropriations that refund per this section.

5. In the audit and settlement of accounts of any Accountable Officer or official, full credit shall be given for any amounts with respect to which collection by the United States is waived under this section.

6. An erroneous payment, the collection of which is waived under this section, is considered a valid payment for all purposes.

7. This section does not affect any authority under any other law to litigate, settle, compromise, or waive any claim of the United States.

B. Adjudication Criteria. Under 10 U.S.C. 2774, an erroneous payment that qualifies for waiver may be waived after considering the following:

1. Whether the member or former member was aware or should have been aware of the overpayment and any action taken by the member to correct the error.
2. Whether there is any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the member or former member.
3. Whether collection would be in the best interest of the United States.
4. Whether the overpayment of travel, transportation, or relocation expenses and allowances was made on or after December 28, 1985. Overpayments made before that date cannot be waived, as Public Law 99-224 is not retroactive.
5. Any significant unexplained increase in or failure to appropriately decrease pay or allowances, which would require a reasonable person to inquire concerning the correctness, ordinarily will preclude favorable waiver action when the member has failed to bring the matter to the attention of responsible officials. Even when a member has notified an appropriate official of an error and corrective action is not taken, the member cannot in equity and good conscience apply the money to personal use without reasonably expecting the overpayment to be recovered. Except as provided in the above paragraph, the financial ability or inability of a person to refund the amount overpaid is not a factor in making a determination on a waiver request.

C. Appeal. Upon adjudication of a waiver, the member's debt will be removed from suspension for appropriate deletion/collection. If the member has an option to appeal the decision in the letter of adjudication, and the member does so, the member's appeal would be against the decision and not the review of the debt. When appealing a decision, the debt will not be re-suspended or left in suspense during the appeal process.

## **130202. PROCESSING**

D. Submission.

1. Substantiation.
  - a. DD Form 2789, Waiver or Remission of Indebtedness Application.
  - b. Copies of all Leave and Earnings Statements and/or vouchers when the debt was incurred.
  - c. Any other associated material concerning the debt.

NOTE: A NAVMC 11082 Financial Statement is NOT REQUIRED due to financial hardship not being a factor for consideration. A member shall not make their case for a waiver based upon financial hardship.

2. Application Procedures. The following outlines the process by which a member can submit a request for remission or waiver of indebtedness and the actions required of the CO, Administrative Officer, and DO/FO. Provide any additional information that is pertinent to the case. Applications can be submitted on behalf of a member or former member but it must be accompanied by a signed statement from the debtor specifically addressing awareness of the erroneous payment. A former member or a member not

on active duty may apply for a waiver via the member's previous Commanding Officer and previous Disbursing Officer/Finance Officer.

a. Individual Requests. Any member or former member, including an individual who received a payment on behalf of a member or former member, may apply for waiver of indebtedness due to an erroneous payment.

b. Group Requests. Group requests are not authorized.

c. Defense Travel System (DTS) Debt. Members requesting waiver of a debt generated in DTS follow the same procedures for applying and submitting the request as they would for any other waiver request. However, the request must be coordinated with the member's Debt Management Monitor (DMM) to ensure the waiver is recorded properly in DTS.

(1) Member action. Members should obtain a copy of the DTS travel claim which shows the computation of the debt. The member should submit a copy of the travel claim and a copy of the debt notification Email as substantiation for the application process. Once the waiver application has been submitted following the below procedures, the member shall provide a copy of the completed application to the DMM for recording in DTS. Additionally, once the waiver action is complete the member shall provide a copy of the final disposition to the DMM for recording in DTS.

(2) Debt Management Monitor (DMM) action. DMMs shall assist the member with obtaining a copy of the overpaid voucher and the debt Email notification. Upon notification that a waiver package has been submitted, the DMM shall update the DMM module in DTS following the procedures outlined in DTS document Guide to Managing Travel-Incurred Debt. DMMs will also update DTS with the final disposition upon notification. Prior to entering any waiver information in DTS, DMMs shall submit a "Stop Payroll Collection" request if the debt has been sent to MCTFS for payroll collection. See MCO 4650.39, Defense Travel System, for detailed information on DTS debt management procedures.

(3) DO/FO Action. When submitting a waiver/remission the DO/FO will not report any transactions in MCTFS. Upon receipt of an adjudicated waiver/remission the DO/FO will not report any transactions in MCTFS. All transactions for the submission and closing out of DTS waiver/remissions will be reported by the DMM within the DTS module. The system interface between DTS and MCTFS will conduct all appropriate suspensions, credits, and checkages. Appropriate action for the DO/FO upon receiving adjudication of the waiver/remission is to furnish the member with a copy of the final action letter and close the document within 5 business days.

E. Processing applications. All applications must be submitted via DTMS. This applies to civilians and other service member's that are requesting a waiver or remission for indebtedness to the Marine Corps.

1. CO Action. Requests shall be prepared in accordance with the below procedures. If at any time during the waiver process the member is suspected of fraud, the CO shall stop the waiver process and immediately initiate an investigation. Under no circumstances shall a waiver package be submitted until after the investigation has been completed. Applications will not be submitted if there is substantiated fraud. Reclaims for indebtedness due to fraud will be processed as outlined in the DoDFMR Volume 5, Chapter 25, paragraph 250405 if the member still desires reconsideration. Applications will be submitted to the member's servicing DO/FO. Separated members will have their applications submitted to their last servicing DO/FO. Reservists will have their applications submitted to their current servicing DO/FO. Civilian applications will be submitted to the DO/FO that settled the claim.

a. Select the type of waiver action:

(1) Waiver, Wounded in Action (WIA). Debts incurred by members who were medically evacuated from a combat zone, except when misconduct on the part of the member contributes to the indebtedness. Refer to 100104.

(2) In Service Debt—(debt incurred by members while still in service).

b. Assist the member in completing the member's portion of Section 1 of the DD Form 2789. If additional room is required to complete a section, continue the information on a separate sheet.

c. Complete FIRST ENDORSEMENT to member's DD Form 2789 as indicated below. The CO's endorsement should speak to the member's record of service, character, integrity, and value to the Marine Corps. The CO should only include details surrounding the indebtedness when there is first-hand knowledge of the circumstances surrounding the debt. Further detail and investigation of the action(s) that created the debt as well as any additional evidence of fraud, or evidence of misrepresentation, fault, or lack of good faith on the part of the member will be the responsibility of the Administrative Officer and the DO/FO.

NOTE: When the administrative unit is the command, such as an I & I, then the commander should obtain the debt information from the admin section and the command endorsement should encompass that information. In these cases, the responsibilities of the CO and Admin Officer will be combined into a single endorsement.

(1) If the member is unavailable for signature, place an "X" in the box provided. (The CO's endorsement should provide the reason the member's signature is missing, i.e. WIA, hospitalized, etc.) Applications without the member's signature will only be accepted with a certificate of court appointed guardianship, a duly executed power of attorney, or other documentary evidence of the agents or attorney right to act for the applicant.

(2) If the member has submitted a separate statement with signature, it is not necessary to print the DD Form 2789 and have the member sign it if the original statement includes the following acknowledgement (must be verbatim as directed in block 19 of the DD Form 2789):

*"I certify the above statements are true and correct to the best of my knowledge. The information presented may be referred to the appropriate investigating office for verification. I understand the penalty for a false claim is a maximum fine of \$10,000 or a maximum imprisonment of 5 years, or both."*

d. Review and ensure the DD Form 2789 has been completed and all supporting documents attached. Attach the CO's endorsement and it will then be reviewed by the Administrative Officer for a second endorsement and submission to the servicing Disbursing/Finance Office. Omission of any of the information required by these forms will result in the application being returned for completion. The CO is responsible for the completeness and accuracy of the application.

e. Suspension Action. The Marine Corps and DFAS-IN are only authorized to suspend collection of debts that are \$100,000 or less. Suspension of a debt over that amount can only be authorized by the Department of Justice (DOJ). For debts that exceed \$100,000 refer to e (3).

(1) Marine Corps Service Authorized. Disbursing and Finance Offices are considered the Debt Collection Offices (DCOs) for the Marine Corps. The DO/FO is the authority for determining if suspension of collection is appropriate. The DO/FO will consider the following when determining if collection action should be suspended pending adjudication. These same standards will be used for all members. ***There is no separate criteria for officers and enlisted.***

(a) Generally, collection action should not be suspended if the

DO/FO is submitting an endorsement that recommends denial of the waiver. However, the DO/FO may consider, at their discretion, suspension on a case-by-case basis if there is reasonable assurance that the debt can be collected in full if the waiver request is denied (e.g. the balance, monthly repayment amount, and time on contract are all conducive to full repayment).

(b) For waiver applications that show a clear lack of good faith and fault on the part of the member, the collection of the debt will not be suspended. An example of this would be a member who was overpaid entitlements due to failing to report a separation and/or divorce, or a member who was aware that the payment(s) was/were erroneous during the time when they were received. Failure by the administrative unit to correct a member's MMPA in a timely manner after the member was made aware of the debt is not justification for waiver approval or for suspension of collection action.

(c) For waiver applications that show the debt is clearly the fault of the service, and it is reasonable to believe the waiver will most likely be approved; the DO/FO will suspend collection action unless directed by RFF after further review to resume collection.

(d) For waiver applications that do not clearly show who is at fault for the debt then decision regarding suspension of the debt will be at the discretion of the DO/FO.

(e) After considering the above criteria, the DO/FO may also take into consideration if collection of the debt would cause undue hardship on the member. Hardship should not be considered if the hardship is one created by the member as stated 130101.C.5.

(f) In cases where a waiver decision is still pending upon separation and suspension of collection was authorized, that suspension is still effective upon separation even though MCTFS will automatically remove the liquidation from suspense. At the discretion of the DO/FO, or if directed by higher authority, a final settlement can be paid without considering the balance of the unsuspended debt in MCTFS. If the debt is from a PEBD adjustment, the DO/FO will not withhold payment of final pay and allowances.

(2) DFAS Authorized. For former members, retired members, non-drilling reserve members, or individuals who received payments on behalf of former members, DFAS-IN determines whether to suspend collection action by considering whether:

(a) There is a reasonable possibility that waiver action will be granted.

(b) The government's interests will be protected if suspension is granted by reasonable assurance that the erroneous payment would be recovered if waiver is not granted.

(c) The collection of the debt may cause financial hardship. (Hardship in this instance is only a basis for whether or not to suspend the liquidation, NOT to grant the waiver request).

(3) Debt over \$100,000. Debt that exceeds \$100,000 is not controlled by the Treasury. Only the DOJ has authority to suspend collection action on debts when the principal amount exceeds \$100,000. The CO is responsible for submitting a request to DOJ. The package must include the following information:

(a) Background of the case and the reason for the debt.

(b) Calculations for the amount of the debt.

(c) Statement certifying that all the information is true.

- adjudication of the waiver
- (d) Recommendation to suspend collection of the debt pending
  - (e) Any supporting documentation that supports the debt.

Correspondence will be sent to the address below.

U.S. Department of Justice  
Civil Division Corporate/Financial Litigation Branch  
Attn: J. Christopher Kohn, Director  
PO Box 875, Ben Franklin Station  
Washington, D.C. 20044

2. Administrative Officer Action. The following information outlines the responsibilities of the Administrative Officer for the waiver application process.

a. Review the application with the member and ensure it has been filled out completely and correctly and the necessary information has been provided. Financial hardship is not a factor for waiver consideration so a member's application should not stress financial hardship as the justification for the waiver.

b. Scan and attach the member's waiver application, CO endorsement and any other supporting documentation provided by the member and CO.

c. Complete a SECOND ENDORSEMENT to include as an attachment to the waiver package in DTMS.

d. Identify and detail any administrative action(s) that caused or contributed to the debt.

3. DO/FO (or Designated Official) Action.

a. Ensure that the application submitted by admin is complete and has all required signatures and documents attached. Reject any incomplete or incorrect applications to the Administrative Officer with appropriate remarks in DTMS as to why the package is being returned.

b. Attach all LES' reflecting the period of overpayment and the subsequent adjustment from when the error was identified.

c. Validate the amount of the indebtedness by including computations in the THIRD ENDORSEMENT.

(1) At a minimum, the computations will include the month-to-month breakdown of what was rated, and what was received resulting in the difference between those two amounts for each applicable time period. If the validated amount on the THIRD ENDORSEMENT computations differs from the amount listed on the DD 2789 or previous endorsements, provide a detailed explanation outlining the difference and indicate what the correct amounts are.

(2) The DO/FO shall first ensure the entire waiver or remission application is resident in DTMS prior to reporting any unit diary entries. Upon reporting unit diary entries the DO/FO

shall ensure that all entries have properly posted to the member's MMPA and shall ensure a copy of an production LES reflecting the debt amount is included with the waiver application.

(3) The DO/FO will also annotate in the endorsement their decision to either suspend or not suspend the debt with an explanation of their rationale. Any decision made regarding suspension of a debt is at the discretion of the DO/FO.

NOTE: No additional pay related entries affecting the debt or liquidation are authorized to be reported via unit diary once a waiver or remission application has been forwarded in DTMS to RFF. If changes need to be made, the unit will request the waiver be returned so the DO/FO can attach an updated endorsement.

d. Ensure only mandatory and pertinent attachments are included within DTMS. Do not forward documents that are not required or have no factor in the waiver application. Additional and duplicates of the same documents slow the waiver process.

e. If additional information is received prior to a final decision being made on a previously submitted application the DO/FO will coordinate with P&R (RFF) to return the application so that an addendum to the DO/FO endorsement can be done and resubmitted via DTMS.

f. A complete waiver package shall contain the following documents:

(1) The member's DD Form 2789.

(2) The CO's FIRST ENDORSEMENT and supporting documents.

(3) The Administrative Officer's SECOND ENDORSEMENT and supporting documents.

(4) The DO/FO's THIRD ENDORSEMENT and supporting documents to include all relevant LES'

(5) WIA packages must include an endorsement from the Wounded Warrior Battalion if the package is to be submitted and receive consideration as a WIA waiver or remission.

g. Checkage Not Under Delayed Checkage. To prepare the MMPA for waiver action on a checkage that was not processed under the delayed checkage process, the DO/FO must report TTC 559 to set up a liquidation schedule. Then, if the DO/FO determines suspension of collection is warranted, will also run TTC 560.

TTC/SEQ 559/000\*

CHEK|LIQ OF INDEBT-\$ (1). (\$ (2) . )/ (3) | (4) | (5)

(1) Amount of indebtedness (up to 9 digits)

(2) Monthly amount of deduction (up to 9 digits, **must be all zeroes when entering Y or N in field 4. MCTFS will compute the appropriate monthly amount**)

(3) Tax code of indebtedness (use tax code 4)

(4) Fault ID –Y (yes), N (no), or blank.\*

(5) Eight-digit date DO/FO establishes liquidation schedule\*\*

\*Y – Indicates fault of the member. Collection is at 2/3 of the member's disposable

Pay.

N – Indicates no fault of the member. Collection is at 15% of the member's disposable pay. The monthly repayment amount for overpayment of pay allowances through no fault of the member, may not exceed 15% percent of the member's pay for that month unless the member requests or consents to collection of the overpayment at an accelerated rate

Blank – When manually entering an alternate repayment amount. **This will only be used when an amount other than 15% or 2/3rds of the member's disposable pay is authorized.**

\*\*A liquidation schedule will not process for members in pay statuses 99999 (Separated) or 02400 (Deserter, Mark Not Removed)

NOTE: There is now a modified DDN (Direct Deposit Now) process to not make an immediate payment if the member has an open 928 remark and instead ensure bonuses are considered in U&E computations. This will ensure any outstanding liquidation collection is satisfied per DoDFMR regulations and reduce the likelihood of OOS debt. For each 928 remark that has a checkage computed on by U&E, a new LIQUIDATION-OF-INDEBTNESS-DEDUCTION-711-RMK will be built. This new remark will help keep track of the disposable pay the liquidation is calculated on.

DEL/ADD is not available for any TTCs used for establishing or affecting liquidations (TTCs 559,560,561, and 562). Only the delete as erroneous function will be available. To correct a liquidation, the DO/FO must delete the original entry and establish a new 559 separately.

TTC/SEQ 560/000

SUSP|LIQ OF INDEBT-\$XXXXXX.XX/YYYYMMDD|YYYYMMDD  
(1) (2) (3)

- (1) Original monetary amount of indebtedness
- (2) Eight-digit date liquidation was established
- (3) Eight-digit stop date of DO/FO endorsement (must be equal to or greater than the date collection began)

h. Checkages Processed Under the Delayed Checkage Process. The DO/FO must STOP the delayed checkage by using TTC 532 and then process TTCs 559 and 560 (if applicable).

TTC/SEQ 532/000

STOP|DEL CKG LIQ-\$ XXXXXX.XX |YYYY0520|YYYYMMDD  
(1) (2) (3)

- (1) Original amount of checkage
- (2) Eight-digit effective date of the original transaction that reported the delayed checkage.
- (3) Eight-digit date of termination (Use the date you reported the transaction. Do not use a future date.) You would then report the entries to credit the checkage, tax code '1', re-input the checkage, tax code '4', set up the liquidation, tax code '1', and suspend the liquidation as previously stated.

i. In lieu of completing Section II of the DD Form 2789, the DO/FO will submit an endorsement with all applicable information. All applicable diary entries shall be reported prior to or on the same date as the DO/FO endorsement. The DO/FO shall ensure all applicable diary entries have properly posted and upon submission in DTMS is no longer authorized to report additional diary entries. It is acceptable for the effective date of the DO/FO endorsement to be the same date as the action date of the initial suspension unit diary entry (if the suspension entry fails, ensure the MECF is appropriately corrected IAW Chapter 50).

j. The DO/FO, or in his absence, the Designated Deputy, will review the waiver package and complete and sign the DO/FO's endorsement.

k. Scan the DO/FO's endorsement and any additional required documents as an attachment to the package. (The number of attachments is unrestricted.)

l. Waivers will then be forwarded to P&R-RFF (DORFF) via DTMS after the DO/FO has finished their processing. RFF will review all waivers and forward to DFAS/IN via DTMS for action.

NOTE: The application must be processed and forwarded within 10 working days of receipt. Applications not processed in the required time frame require an explanation in the DO/FO's endorsement and in DTMS remarks.

m. Waivers or Remissions for family members will be submitted through DTMS in the same manner as the service member, using the designator code of "C."

NOTE: For SSN/EDIPIs not resident within MCTFS, a manual input of name and SSN is required.

n. Once a case is adjudicated, the final action letter will be scanned into DTMS as substantiation, and the case file will be returned to the DO/FO for final closure action.

o. The DO/FO will report all required MCTFS entries based on the final action letter within 5 business days, provide a copy of the final action letter to the member, and close the case file in DTMS.

NOTE: Once a final decision has been determined and the case is closed, no further changes can be made in DTMS.

p. The DO/FO will review waiver applications which are returned by RFF or DFAS-IN via DTMS for additional information or correction.

(1) Corrective action required by DO/FO. When corrective action is required by the DO/FO, it must be completed and attached to the Waiver application in DTMS within 10 working days of receipt of the request.

(2) Corrective action required by the CO/AO. If corrective action is required by the CO/AO, the DO/FO will reject the document to Admin. The required actions must be completed and resubmitted via the DO/FO within 10 working days after the request was received. If a response is not received by the 10th working day, the DO/FO will send a second request that day. Failure to respond to the second request will result in a resumption of the liquidation on the 30th calendar day from the date the package was returned by either RFF or DFAS-IN to the DO/FO. Document all actions in the case file and within DTMS. The DO/FO will use TTC 561 to resume the liquidation. If requested corrective action is received AFTER the 30<sup>th</sup> calendar day from the date of return, then any suspension of collection action, if authorized, will be effective the date corrective action was received. Suspension of collection action shall not

be backdated to original date of suspense.

(3) Corrective Action Required by the Member. When the returned Waiver requires information that will have to be provided by the member, a request for the information shall be routed through the member's CO. The request must include the date the request for additional information was requested. The member will have 10 working days to provide the required information. If a response is not received by the 10th working day, the DO/FO will send a second request that day. Failure by the member to respond to the second request will result in a resumption of the liquidation on the 30th calendar day from the date the request was received by the DO/FO. Document all actions in the case file and DTMS. The DO/FO will use TTC 561 to resume the liquidation. If requested corrective action is received AFTER the 30<sup>th</sup> calendar day from the date of return, then any suspension of collection action, if authorized, will be effective the date corrective action was received. Suspension of collection action shall not be backdated to original date of suspense.

### **130203. FINAL ACTION**

A. Final Action by DO/FO. Once a determination is made, the waiver will be returned to the DO/FO with the final action letter attached. The DO/FO is responsible for taking all necessary action to complete and close out the case. The DO/FO will report all required MCTFS entries based on the final action letter within 5 business days, provide a copy of the final action letter to the member, and close the case file in DTMS. Once a final decision has been made and the case is closed, no further changes can be made in DTMS.

NOTE: Do NOT report a delete as erroneous LIQ when a full or partial approval of a waiver has been received. The proper actions are to stop the LIQ and if only for a partial approval, start a new LIQ for the remaining balance as necessary.

1. Full Waiver. When a full waiver has been granted, report the below transactions. If the member did not have a liquidation established for the waiver, the field cannot report the debt write off at this time. A JIRA request must be submitted as the corrective action must be taken by RFFKCI.

a. Report TTC 562 to stop the liquidation. Even if the liquidation is currently suspended, TTC 562 will stop the liquidation accordingly. If the member had a liquidation that was already collected in full, proceed to step 1.b.

b. Report TTC 563/000 with the correct 928 Remark sequence for the liquidation that was in relation to the waiver and for the approved waiver amount as listed in the approval letter. Refer to Appendix D for the transaction layout. This transaction will create the necessary credit for the MMPA as well as post the write-off amount to the WRITE OFF 989 REMARK. If an incorrect amount has been reported, report TTC 563/001 to process a checkage and then report the correct amount with TTC 563/000.

NOTE: The proper sequence to report with TTC 563 will be the record that reflects the installment of the liquidation and not the one-time credit or debit transaction. The record will have a FROM DATE DED (not 00000000) and a TO DATE DED and the CR DB code will be 'D'. If an incorrect sequence is reported, the transaction will fail.

2. Partial Waiver. When a partial waiver has been granted, report the below transactions. If the member did not have a liquidation established for the waiver, the field cannot report the debt write off at this time. A JIRA request must be submitted as the corrective action must be taken by RFFKCI.

a. Report TTC 562 to stop the liquidation. Even if the liquidation is currently suspended, TTC 562 will stop the liquidation accordingly. If the member had a liquidation that was already collected in full, skip to step 2.c.

b. Report TTC 559 to start a new liquidation as necessary. The new liquidation amount will be for the portion of the debt that was denied as stated in the final action letter.

c. Report TTC 563/000 with the correct 928 Remark sequence for the liquidation that was in relation to the waiver (see Note below) and for the approved waiver amount as listed in the approval letter. Refer to Appendix D for the transaction layout. This transaction will create the necessary credit for the MMPA as well as post the write-off amount to the WRITE OFF 989 REMARK. If an incorrect amount has been reported, delete the erroneous TTC 563 transaction and report the correct one.

NOTE: The proper sequence to report with TTC 563 will be the record that reflects the installment of the liquidation and not the one-time credit or debit transaction. The record will have a FROM DATE DED (not 00000000) and a TO DATE DED and the CR DB code will be 'D'. If an incorrect sequence is reported, the transaction will fail.

3. Waiver Denied. When a waiver has been denied, the DO/FO will run TTC 561 RESM LIQ OF INDEBT if the member has a liquidation in suspense. This will remove the suspense flag and resume the repayment schedule that was originally established. No further action is required. If the member does not have a liquidation in suspense, no action is required.

1.

TTC/SEQ 561/000\*

RESM|LIQ OF INDEBT-\$ (1) . / (2) | (3)

- (1) Original monetary amount of indebtedness
- (2) Eight-digit date effective date of suspension
- (3) Eight-digit effective date of resumption

***\*561/001 for reservists (not on active duty), for RFF-KCI Reserve Pay only***

FIRST ENDORSEMENT on DD Form 2789 of (date on DD Form 2789)

From: (Applicant's current CO)

To: Director, DFAS-IN, Indianapolis, IN 46249-3300

Via: (1) (Applicant's current Administrative Officer)

(2) (Applicant's current Finance/Disbursing Officer)

Subj: REQUEST FOR WAIVER OF ERRONEOUS PAYMENT/ CASE OF (member's name, EDIPI, MOS)

Encl: (if applicable)

1. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)
2. The applicant was notified or became aware of this erroneous payment on \_\_\_\_\_. (If the member knew or should have known about the debt prior to formal notification, indicate when the member knew or should have known and outline the rationale.)
3. I have reviewed the applicant's statement and the statement appears to be accurate (If the member provided a statement. If any portion of the statement appears to be incorrect, provide details.).
4. The following information has a bearing on this case: (Include information that may have made the applicant aware of the error. Submit copies of all material documents as an enclosure. Include statements from persons with knowledge of the matter. A statement must be enclosed from any available person who is named in the basic application letter.)
5. The debt or overpayment in this case appears to be caused in whole or in part by a/an \_\_\_ administrative error \_\_\_ disbursing error \_\_\_ administrative and disbursing error.
6. I recommend the requested waiver \_\_\_ be granted in full \_\_\_ not be granted \_\_\_ be granted in the amount of \$\_\_\_\_\_. (Provide the rationale for your recommendation. If the applicant is an active duty enlisted member or temporary officer with permanent enlisted status, include a statement concerning the applicant's proficiency and conduct, value to the service, and whether, because of the amount involved, collection would cause a deterioration of morale or is not in the best interest of the service to collect.)

Sample CO's Endorsement

NOTE: Some deviation from this form is expected depending on what specific knowledge the CO has regarding the above information.

SECOND ENDORSEMENT on DD Form 2789 of (date on DD Form 2789)

From: (Applicant's current Administrative Officer)

To: Director, DFAS-IN, Indianapolis, IN 46249-3300

Via: (1) (Applicant's current Finance/Disbursing Officer)

Subj: REQUEST FOR WAIVER OF ERRONEOUS PAYMENT/ CASE OF (member's name, EDIPI, MOS)

Encl: (if applicable)

1. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)

2. The applicant was notified or became aware of this debt on \_\_\_\_\_. (If the member knew or should have known about the debt prior to formal notification, indicate when the member knew or should have known and outline the rationale.)

3. I have reviewed the applicant's statement and the statement appears to be accurate (If the member provided a statement. If any portion of the statement appears to be incorrect, provide details.).

4. The following information has a bearing on this case: (The administrative endorsement should focus on detailing any administrative action that caused the erroneous payment. Include information that may have made the applicant aware of the error. Submit copies of all material documents as an enclosure. Include statements from persons with knowledge of the matter. A statement must be enclosed from any available person who is named in the basic application letter.)

NOTE: If the administrative section had no action that caused the erroneous payment, then use this paragraph to specifically state that.

5. The erroneous payment in this case appears to be caused in whole or in part by a/an \_\_\_ administrative error \_\_\_ disbursing error \_\_\_ administrative and disbursing error.

6. I recommend the requested waiver \_\_\_ be granted in full \_\_\_ not be granted \_\_\_ be granted in the amount of \$ \_\_\_\_\_. (Provide the rationale for your recommendation. The recommendation should be based on whether the member should have reasonably been aware of the administrative action(s) that caused the erroneous payment and if so, the actions the member took to correct the error(s). The member's MOS/billet should have a bearing on the recommendation. The opinion of the AO should clearly reflect where the burden of responsibility lies; with the member, admin, finance, or the system.

Sample: Administrative Officer's Endorsement

NOTE: Some deviation from this form is expected depending on the circumstances of the case.

FIRST ENDORSEMENT on DD Form 2789 of \_\_\_\_\_

From: (Applicant's current Command)

To: Director, DFAS-IN, Indianapolis, IN 46249-3300

Via: (1).(Applicant's current Finance/Disbursing Officer)

Subj: REQUEST FOR WAIVER OF ERRONEOUS PAYMENT, CASE OF (member's name, EDIPI, MOS)

1. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)
2. The applicant was notified or became aware of this debt on \_\_\_\_\_. (If the member knew or should have known about the debt prior to formal notification, indicate when the member knew or should have known and outline the rationale.)
3. I have reviewed the applicant's statement and the statement appears to be accurate. (If any portion of the statement appears to be incorrect, provide details.)
4. The following information has a bearing on this case: (Include information that may have made the applicant aware of the error. Detail any administrative action that caused the debt. Include information that may have made the applicant aware of the error. Submit copies of all material documents as an enclosure. Include statements from persons with knowledge of the matter. A statement must be enclosed from any available person who is named in the basic application letter.)
5. The debt or overpayment in this case appears to be caused in whole or in part by a/an \_\_\_ administrative error \_\_\_ disbursing error \_\_\_ administrative and disbursing error.
6. I recommend the requested waiver \_\_\_ be granted in full \_\_\_ not be granted \_\_\_ be granted in the amount of \$\_\_\_\_\_. (Provide the rationale for your recommendation. If the applicant is an active duty enlisted member or temporary officer with permanent enlisted status, include a statement concerning the applicant's proficiency and conduct, value to the service, and whether, because of the amount involved, collection would cause a deterioration of morale and not in the best interest of the service to collect. The recommendation should also be based on whether the member should have reasonably been aware of the administrative action(s) that caused the debt and if so, the actions the member took to correct the error(s). The member's MOS/billet should have a bearing on the recommendation. The opinion should clearly reflect where the burden of responsibility lies; with the member, admin, finance, or the system

#### Sample CO/AO Endorsement

NOTE: Some deviation from this form is expected depending on what knowledge the CO has regarding the above information.

(Appropriate Number) ENDORSEMENT on DD Form 2789 of \_\_\_\_\_

From: (Applicant's current Finance/Disbursing Officer)

To: Director, DFAS-IN, Indianapolis, IN 46249-3300

Subj: REQUEST FOR WAIVER OF ERRONEOUS PAYMENT; CASE OF, (member's name, EDIPI), MOS (XXXX)

Encl: (if applicable)

1. The original amount of the indebtedness or overpayment in this case, before any collection or offset credit, was \$\_\_\_\_\_. Of this amount, \$\_\_\_\_\_ has been collected, and \$\_\_\_\_\_ remains to be collected. (The total of the amounts in the second sentence must equal the amount in the first sentence.) I \_\_\_ do \_\_\_ do not authorize suspension of the debt. Provide additional rationale to your position regarding the suspension of debt collection. Authority exists to suspend collection action in the case of active duty enlisted members, including temporary officers with a permanent enlisted status, active duty officers and drilling reservists.
2. The circumstances surrounding the debt or overpayment are: (Provide a thorough analysis of the cause of erroneous payment(s). Include available information as to the date it was discovered, the source of the discovery, whether it was the subject of a notice of exception by the General Accounting Office, and a specific explanation of when, and how the member was notified. Enclose a copy of any document establishing the debt, and a copy of all pay related documents material to the case. Include a specific explanation as to how the debt is computed. Also, if the debt consists of more than one item of pay and allowances, isolate each item with an explanation as to how the total debt was computed. If the debt resulted from a miscomputation in pay, show whether the total erroneous payment resulting from the miscomputation was received in small amounts over an extended period of time, or whether the erroneous payment was received in a lump sum.)
3. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)
4. The debt or overpayment in this case \_\_\_ was \_\_\_ was not caused in whole or in part by finance error. (Explain the corrective measures taken to prevent similar errors in the future, and/or make a recommendation pertaining thereto.)
5. I recommend the requested waiver \_\_\_ be granted in full \_\_\_ be granted in the amount of \$\_\_\_\_\_ not be granted. (Provide the rationale for your recommendation.)
6. The application was delayed at this office due to \_\_\_\_\_. (Use this paragraph only when needed to explain the circumstances surrounding processing delays in excess of 10 working days.)
7. The Waiver application (DD Form 2789) must be signed by the primary DO/FO or by a designated deputy if the primary DO/FO is not available for signature (i.e., TAD, Leave, etc.).

### 3. REMISSIONS

#### 130301. CRITERIA AND ADJUDICATION

A. Remission or Cancellation of Indebtedness; General. Any service member or former service member with an indebtedness resulting from erroneous payments must *first* apply for relief via the waiver process. If the waiver is denied, then the member may apply for a remission of the indebtedness. Due to standing policy for debts that are the result of a PEBD audit and to continue to expedite the relief process, such indebtedness may still be submitted as a remission. A request for remission or cancellation may be submitted by a member, former members, retired members, non-drilling reserve members, and individuals who received payments on behalf of other members for any indebtedness incurred while that person was serving on active duty as a member of the Naval Service. Remission of indebtedness is not applicable for civilians, or Reserve Component personnel performing inactive duty training or active duty for training. The DO/FO will submit all remission applications via DTMS to RFF (DORFF). The Marine Corps only has the authority to remit, in part or in whole, approvals up to \$20,000 and denials up to \$10,000. Any remission application that exceeds the adjudication threshold of the Marine Corps will be forwarded to be adjudicated by the Secretary of the Navy.

B. Adjudication Criteria.

1. Remission or Cancellation of Indebtedness. Under 10 U.S.C. 6161, An indebtedness of any nature over which the Department of the Navy has jurisdiction, except a debt arising from an erroneous payment of basic pay due to non-collection of a court-martial fine or forfeiture, may be remitted if the Secretary concerned finds it to be in the best interest of the United States. Some factors considered in the determination are:

- a. Whether the payment was received in good faith.
- b. Whether the member or former member was aware or should have been aware of the overpayment and any action taken by the member to correct the error.
- c. Whether it would be a financial hardship for the member to repay the debt.
- d. The member's value to the service.
- e. Possible deterioration of morale.
- f. Whether it would be against equity and good conscience to collect the debt.
- g. Whether there is any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the member or former member.

C. Appeal. Remission determinations are final and cannot be appealed. Members who have been denied both a waiver and remission may request relief through petitioning BCNR.

D. Submission

1. Substantiation.
  - a. DD Form 2789, Waiver or Remission of Indebtedness Application.
  - b. Copies of all Leave and Earnings Statements and/or vouchers when the debt was incurred.

- c. NAVMC 11082 (Only if the member is declaring financial hardship)
- d. Any other associated material concerning the debt.

2. Application Procedures. For a remission of indebtedness that is the result of a HQMC Pay Entry Base Date (PEBD) change by HQMC-MMSR (RUC 54881, 54882, and 54884), refer directly to 130301.D.2.d. For all other cases, follow the procedures below. The following outlines the process by which a member can submit a request for remission of indebtedness and the actions required of the CO, Administrative Officer, and DO/FO. Provide any additional information that is pertinent to the case. Applications can be submitted on behalf of a member or former member but it must be accompanied by a signed statement from the debtor specifically addressing awareness of the erroneous payment. A former member or a member not on active duty may apply for a remission via the member's previous Commanding Officer and previous Disbursing Officer/Finance Officer.

a. Individual Requests. A request for remission or cancellation may be submitted by a member, former members, retired members, non-drilling reserve members, and individuals who received payments on behalf of other members for any indebtedness incurred while that person was serving on active duty as a member of the Naval Service. Remission/cancellation of indebtedness is not applicable for civilians, or Reserve Component personnel performing inactive duty training or active duty for training. The Marine Corps has the authority to remit, in part or in whole, approvals up to \$20,000 and denials up to \$10,000. Any remission application that exceeds the threshold set for the Marine Corps will be forwarded to DFAS and processed as a waiver. Any application being submitted that exceeds \$20,000, regardless if being recommended for approval or disapproval, will be submitted to DFAS as a waiver. All remission applications sent to DFAS will receive a standard letter from HQMC RFF re-routing the application.

b. Group Requests. Group requests are not authorized

c. Defense Travel System (DTS) Debt. Members requesting remission of a debt generated in DTS follow the same procedures for applying and submitting the request as they would for any other remission request. However, the request must be coordinated with the member's Debt Management Monitor (DMM) to ensure the waiver or remission is recorded properly in DTS.

(1) Member's action. Members should obtain a copy of the DTS travel claim which shows the computation of the debt. The member should submit a copy of the travel claim and a copy of the debt notification Email as substantiation for the application process. Once the remission application has been submitted following the below procedures, the member shall provide a copy of the completed application to the DMM for recording in DTS. Additionally, once the remission action is complete the member shall provide a copy of the final disposition to the DMM for recording in DTS.

(2) Debt Management Monitor (DMM) action. DMMs shall assist the member with obtaining a copy of the overpaid voucher and the debt Email notification. Upon notification that a remission package has been submitted, the DMM shall update the DMM module in DTS following the procedures outlined in the DTS document Guide to Managing Travel-Incurred Debt. DMMs will also update DTS with the final disposition of a waiver or remission upon notification. Prior to entering any remission information in DTS, DMMs shall submit a "Stop Payroll Collection" request if the debt has been sent to MCTFS for payroll collection. See MCO 4650.39, Defense Travel System, for detailed information on DTS debt management procedures.

(3) DO/FO Action. When submitting a waiver/remission the DO/FO will not report any transactions in MCTFS. Upon receipt of an adjudicated waiver/remission the DO/FO will not report any transactions in MCTFS. All transactions for the submission and closing out of DTS waiver/remissions will be reported by the DMM within the DTS module. The system interface between DTS

and MCTFS will conduct all appropriate suspensions, credits, and checkages. Appropriate action for the DO/FO upon receiving adjudication of the waiver/remission is to furnish the member with a copy of the final action letter and close the document within 5 business days.

d. PEBD Corrections. Remission applications for debts that are the result of a HQMC PEBD correction by HQMC-MMSR (RUC 54881, 54882, and 54884) ***will not be submitted through the CO***. They do not require endorsements from either the CO or the AO and will be processed according to the steps below.

(1) An ADF is produced from a PEBD adjustment by HQMC-MMSR (RUC 54881/54882).

(2) The DO/FO will establish the pay adjustment to the member's MMPA and simultaneously report TTC 559 to start a liquidation of indebtedness. After TTC 559 has posted the DO/FO will report TTC 560 to put the liquidation of indebtedness into suspense (CO authority is not needed to start or suspend a liquidation in PEBD change cases). See Appendix "G" for detailed reporting instructions.

(3) MMSR will create DD Form 2789 and annotate that the member is not available for signature.

(4) MMSR will generate a remission in DTMS, attach the completed DD Form 2789, and submit the DTMS document to the servicing DO/FO on behalf of the member.

(5) The DO/FO will prepare an endorsement and attach it along with the debt computation and submit the remission to RFF.

### **130302. PROCESSING**

A. Processing applications. All applications must be submitted via DTMS.

1. CO Action. Requests shall be prepared in accordance with the below procedures. If at any time during the remission process the member is suspected of fraud, the CO shall stop the remission process and immediately initiate an investigation. Under no circumstances shall a remission package be submitted until after the investigation has been completed. Applications will not be submitted if there is substantiated fraud. Applications will be submitted to the member's servicing DO/FO. Separated members will have their applications submitted to their last servicing DO/FO. Reservists will have their applications submitted to their current servicing DO/FO. Civilians are not eligible for remission consideration.

a. Select the type of remission action:

(1) Wounded in Action (WIA). Debts incurred by members who were medically evacuated from a combat zone, except when misconduct on the part of the member contributes to the indebtedness. For WIA Remissions, refer to 100104.

(2) In Service Debt–Remission (debt incurred by members while still in service)

b. Assist the member in completing the member's portion of Section 1 of the DD Form 2789. If additional room is required to complete a section, continue the information on a separate sheet and scan it as an attachment.

c. Assist the member in completing a NAVMC 11082 Financial Statement if the

member is claiming financial hardship. The NAVMC 11082 must be a complete and accurate depiction of the member's finances. All items marked with an asterisk on the NAVMC 11082 must be itemized as directed. Additionally, the member must list all assets on page two. Examples of assets are reflected on page two of the form. Request for remission will not be considered without a properly completed NAVMC 11082.

d. Complete **FIRST ENDORSEMENT** to member's DD Form 2789 as indicated below. The CO's endorsement should speak to the member's record of service, character, integrity, and value to the Marine Corps. The CO should only include details surrounding the indebtedness when there is first-hand knowledge of the circumstances surrounding the debt. Further detail and investigation of the action(s) that created the debt as well as any additional evidence of fraud, or evidence of misrepresentation, fault, or lack of good faith on the part of the member will be the responsibility of the Administrative Officer and the DO/FO.

NOTE: When the administrative unit is the command, such as an I & I, then the commander should obtain the debt information from the admin section and the command endorsement should encompass that information. In these cases, the responsibilities of the CO and Admin Officer will be combined into a single endorsement.

(1) If the member is unavailable for signature, place an "X" in the box provided. (The CO's endorsement should provide the reason the member's signature is missing, i.e. WIA, hospitalized, etc.) Applications without the member's signature will only be accepted with a certificate of court appointed guardianship, a duly executed power of attorney, or other documentary evidence of the agent or attorney right to act for the applicant.

(2) If the member has submitted a separate statement with signature, it is not necessary to print the DD Form 2789 and have the member sign it if the original statement includes the following acknowledgement (must be verbatim as directed in block 19 of the DD Form 2789).

*"I certify the above statements are true and correct to the best of my knowledge. The information presented may be referred to the appropriate investigating office for verification. I understand the penalty for a false claim is a maximum fine of \$10,000 or a maximum imprisonment of 5 years, or both."*

e. Review and ensure the DD Form 2789 has been completed and all supporting documents attached. Attach the CO endorsement and it will then be reviewed by the AO for a second endorsement and submission to the servicing DO/FO. Omission of any of the information required by these forms will result in the application being returned for completion.

f. Suspension Action. The Marine Corps and DFAS-IN are only authorized to suspend collection of debts that are \$100,000 or less. Suspension of a debt over that amount can only be authorized by the Department of Justice (DOJ). For debts that exceed \$100,000 refer to e (3).

(1) Marine Corps Service Authorized. Disbursing and Finance Offices are considered the Debt Collection Offices (DCOs) for the Marine Corps. The DO/FO is the authority for determining if suspension of collection is appropriate. The DO/FO will consider the following when determining if collection action should be suspended pending adjudication. These same standards will be used for all members. There is no separate criteria for officers and enlisted.

(a) Generally, collection action should not be suspended if the DO/FO is submitting an endorsement that recommends denial of the remission. However, the DO/FO may consider, at their discretion, suspension on a case-by-case basis if there is reasonable assurance that the debt can be collected in full if the remission request is denied (e.g. the balance, monthly repayment amount, and time on contract are all conducive to full repayment).

(b) For remission applications that show a clear lack of good faith and fault on the part of the member, the collection of the debt will not be suspended. An example of this would be a member who was overpaid entitlements due to failing to report a separation and/or divorce, or a member who was aware that the payment(s) was/were erroneous during the time when they were received. Failure by the administrative unit to correct a member's MMPA in a timely manner after the member was made aware of the debt is not justification for remission approval or for suspension of collection action.

(c) For remission applications that show the debt is clearly the fault of the service, and it is reasonable to believe the remission will most likely be approved; the DO/FO will suspend collection action unless directed by RFF after further review to resume collection.

(d) For remission applications that do not clearly show who is at fault for the debt then decision regarding suspension of the debt will be at the discretion of the DO/FO.

(e) After considering the above criteria, the DO/FO may also take into consideration if collection of the debt would cause undue hardship on the member. Hardship should not be considered if the hardship is one created by the member as stated 130101.C.5.

(f) In cases where a remission decision is still pending upon separation, and suspension of collection was authorized, that suspension is still effective upon separation even though MCTFS will automatically remove the liquidation from suspense. At the discretion of the DO/FO, or if directed by higher authority, a final settlement can be paid without considering the balance of the unsuspended debt in MCTFS. If the debt is from a PEBD adjustment, the DO/FO will not withhold payment of final pay and allowances.

(2) Debt over \$100,000. Debt that exceeds \$100,000 is not controlled by the Treasury. Only the DOJ has authority to suspend collection action on debts when the principal amount exceeds \$100,000. The CO is responsible for submitting a request to DOJ. The package must include the following information:

- (a) Background of the case and the reason for the debt.
- (b) Calculations for the amount of the debt.
- (c) Statement certifying that all the information is true.
- (d) Recommendation to suspend collection of the debt pending adjudication of the remission
- (e) Any supporting documentation that supports the debt.

Correspondence will be sent to the address below.

U.S. Department of Justice  
Civil Division Corporate/Financial Litigation Branch  
Attn: J. Christopher Kohn, Director  
PO Box 875, Ben Franklin Station  
Washington, D.C. 20044

2. Administrative Officer Action. The following information outlines the responsibilities of the Administrative Officer for the waiver/remission application process.

- a. Review the application with the member and ensure it has been filled out completely and correctly and the necessary information has been provided.
- b. Scan and attach the member's waiver/remission application, CO endorsement and any other supporting documentation provided by the member and CO.
- c. Complete a SECOND ENDORSEMENT to include as an attachment to the waiver/remission package in DTMS.
- d. Identify and detail any administrative action(s) that caused or contributed to the debt.

3. DO/FO (or Designated Official) Action.

- a. Ensure that the application submitted is complete and has all required signatures and documents attached. Reject any incomplete or incorrect applications to the Administrative Officer with appropriate remarks in DTMS as to why the package is being returned.
- b. Attach all LES' reflecting the period of overpayment and the subsequent adjustment(s) from when the error was identified.
- c. Validate the amount of the indebtedness by including computations in the THIRD ENDORSEMENT.

(1) At a minimum, the computations will include the month-to month-breakdown of what was rated, and what was received resulting in the difference between those two amounts for each applicable time period. If the validated amount on the THIRD ENDORSEMENT computations differs from the amount listed on the DD 2789 or previous endorsements, provide a detailed explanation outlining the difference and indicate what the correct amounts are.

(2) The DO/FO shall first ensure the entire remission application is resident in DTMS prior to reporting any unit diary entries. Upon reporting unit diary entries, ensure that all entries have properly posted to the member's MMPA and ensure a copy of an production LES reflecting the debt amount is included with the remission application.

(3) The DO/FO will also annotate in the endorsement their decision to either suspend or not suspend the debt with an explanation to the action taken. Any decision made regarding suspension of a debt is at the discretion of the DO/FO.

NOTE: No additional pay related entries affecting the debt or liquidation are authorized to be reported via unit diary once a waiver or remission application has been forwarded in DTMS to RFF. If changes need to be made, the unit will request the waiver be returned so the DO/FO can attach an updated endorsement.

- d. Ensure only mandatory and pertinent attachments are included within DTMS. Do not forward documents that are not required or have no factor in the remission application. Additional and duplicates of the same documents will slow the process.
- e. If additional information is received prior to a final decision being made on a previously submitted application the DO/FO will coordinate with P&R (RFF) to return the application so that an addendum to the DO/FO endorsement can be done and resubmitted via DTMS.
- f. A complete remission package shall contain the following documents:

- (1) The member's DD Form 2789.
- (2) The CO's FIRST ENDORSEMENT and supporting documents.
- (3) The Administrative Officer's SECOND ENDORSEMENT and supporting documents.
- (4) The DO/FO's THIRD ENDORSEMENT and supporting documents to include all relevant LES'
- (5) WIA packages must include an endorsement from the Wounded Warrior Battalion if the package is to be submitted and receive consideration as a WIA waiver or remission.

g. Checkage Not Under Delayed Checkage. To prepare the MMPA for waiver action on a checkage that was not processed under the delayed checkage process, the DO/FO must report TTC 559 to set up a liquidation schedule. Then, if the DO/FO determines suspension of collection is warranted, will also run TTC 560.

TTC/SEQ 559/000\*

CHEK|LIQ OF INDEBT-\$ (1). (\$ (2) . )/ (3) | (4) | (5)

- (1) Amount of indebtedness (up to 9 digits)
- (2) Monthly amount of deduction (up to 9 digits, **must be all zeroes when entering Y or N in field 4. MCTFS will compute the appropriate monthly amount**)
- (3) Tax code of indebtedness (use tax code 4)
- (4) Fault ID – Y (yes), N (no), or blank.\*
- (5) Eight-digit date DO/FO establishes liquidation schedule\*\*

\*Y – Indicates fault of the member. Collection is at 2/3 of the member's disposable

Pay.

N – Indicates no fault of the member. Collection is at 15% of the member's disposable pay. The monthly repayment amount for overpayment of pay allowances through no fault of the member, may not exceed 15% percent of the member's pay for that month unless the member requests or consents to collection of the overpayment at an accelerated rate

Blank – When manually entering an alternate repayment amount. **This will only be used when an amount other than 15% or 2/3rds of the member's disposable pay is authorized.**

\*\*A liquidation schedule will not process for members in pay statuses 99999 (Separated) or 02400 (Deserter, Mark Not Removed)

NOTE: There is now a modified DDN (Direct Deposit Now) process to not make an immediate payment if the member has an open 928 remark and instead ensure bonuses are considered in U&E computations. This will ensure any outstanding liquidation collection is satisfied per DoDFMR regulations and reduce the likelihood of OOS debt. For each 928 remark that has a checkage computed on by U&E, a new LIQUIDATION-OF-INDEBTNESS-DEDUCTION-711-RMK will be built. This new remark will help keep track of the disposable pay the liquidation is calculated on.

DEL/ADD is not available for any TTCs used for establishing or affecting liquidations (TTCs 559,560,561, and 562). Only the delete as erroneous function will be available. To correct a liquidation, the DO/FO must delete the original entry and establish a new 559 separately.

TTC/SEQ 560/000

SUSP|LIQ OF INDEBT-\$XXXXX.XX|YYYYMMDD|YYYYMMDD  
(1) (2) (3)

- (1) Original monetary amount of indebtedness
- (2) Eight-digit date liquidation was established
- (3) Eight-digit stop date of DO/FO endorsement (must be equal to or greater than the date collection began)

h. Checkages Processed Under the Delayed Checkage Process. The DO/FO must STOP the delayed checkage by using TTC 532 and then process TTCs 559 and 560 (if applicable).

TTC/SEQ 532/000

STOP|DEL CKG LIQ-\$ XXXXX.XX |YYYY0520|YYYYMMDD  
(1) (2) (3)

- (1) Original amount of checkage
- (2) Eight-digit effective date of the original transaction that reported the delayed checkage.
- (3) Eight-digit date of termination (Use the date you reported the transaction. Do not use a future date.) You would then report the entries to credit the checkage, tax code '1', re-input the checkage, tax code '4', set up the liquidation, tax code '1', and suspend the liquidation as previously stated.

i. In lieu of completing Section II of the DD Form 2789, the DO/FO will submit an endorsement with all applicable information. All applicable diary entries shall be reported prior to or on the same date as the DO/FO endorsement. The DO/FO shall ensure all applicable diary entries have properly posted and upon submission in DTMS is no longer authorized to report additional diary entries. It is acceptable for the effective date of the DO/FO endorsement to be the same date as the action date of the initial suspension unit diary entry (if the suspension entry fails, ensure the MECF is appropriately corrected IAW Chapter 50).

j. The DO/FO, or in his absence, the Designated Deputy, will review the waiver package and complete and sign the DO/FO's endorsement.

k. Scan the DO/FO's endorsement and any additional required documents as an attachment to the package. (The number of attachments is unrestricted.)

l. Waivers will then be forwarded to P&R-RFF (DORFF) via DTMS after the DO/FO has finished their processing. RFF will review all waivers and forward to DFAS/IN via DTMS for action.

NOTE 1: The application must be processed and forwarded within 10 working days of receipt. Applications not processed in the required time frame require an explanation in the DO/FO's endorsement and in DTMS remarks.

m. Waivers or Remissions for family members will be submitted through DTMS in the same manner as the service member, using the designator code of "C."

NOTE: For SSN/EDIPIs not resident within MCTFS, a manual input of name and SSN is required.

n. Once a determination is made by RFF or DFAS-IN the final action letter will be scanned into DTMS as substantiation, and the case file will be returned to the DO/FO for final closure action.

o. The DO/FO will report all required MCTFS entries based on the final action letter within 5 business days, provide a copy of the final action letter to the member, and close the case file in DTMS.

NOTE: Once a final decision has been determined and the case is closed, no further changes can be made in DTMS.

p. The DO/FO will review waiver applications which are returned by RFF or DFAS-IN via DTMS for additional information or correction.

(1) Corrective action required by DO/FO. When corrective action is required by the DO/FO, it must be completed and attached to the Waiver application in DTMS within 10 working days of receipt of the request.

(2) Corrective action required by the CO/AO. If corrective action is required by the CO/AO, the DO/FO will reject the document to Admin. The required actions must be completed and the package resubmitted within 10 working days after the request was received. If a response is not received by the 10th working day, the DO/FO will send a second request that day. Failure to respond to the second request will result in a resumption of the liquidation on the 30th calendar day from the date the package was returned to the DO/FO. Document all actions in the case file and within DTMS. The DO/FO will use TTC 561 to resume the liquidation. If requested corrective action is received AFTER the 30<sup>th</sup> calendar day from the date of return, then any suspension of collection action, if authorized, will be effective the date corrective action was received. Suspension of collection action shall not be backdated to original date of suspense.

(3) Corrective Action Required by the Member. When the returned remission requires information that will have to be provided by the member, a request for the information shall be routed through the member's CO. The request must include the date the request for additional information was requested. The member will have 10 working days to provide the required information. If a response is not received by the 10th working day, the DO/FO will send a second request that day. Failure by the member to respond to the second request will result in a resumption of the liquidation on the 30th calendar day from the date the request was received by the DO/FO. Document all actions in the case file and DTMS. The DO/FO will use TTC 561 to resume the liquidation. If requested corrective action is received AFTER the 30<sup>th</sup> calendar day from the date of return, then any suspension of collection action, if authorized, will be effective the date corrective action was received. Suspension of collection action will not be backdated to the original date of suspense.

### **130303 FINAL ACTION**

A. Final Action by DO/FO. Once a determination is made, the remission will be returned to the DO/FO with the final action letter attached. The DO/FO is responsible for taking all necessary action to complete and close out the case. The DO/FO will report all required MCTFS entries based on the final action

letter within 5 business days, provide a copy of the final action letter to the member, and close the case file in DTMS. Once a final decision has been made and the case is closed, no further changes can be made in DTMS.

NOTE: Do NOT report a delete as erroneous LIQ when a full or partial approval of a remission has been received. The proper actions are to stop the LIQ and if only for a partial approval, start a new LIQ for the remaining balance as necessary.

1. Full Remission. When a full remission has been granted, report the below transactions. If the member did not have a liquidation established for the remission, the field cannot report the debt write off at this time. A JIRA request must be submitted as the corrective action must be taken by RFFKCI.

a. Report TTC 562 to stop the liquidation. Even if the liquidation is currently suspended, TTC 562 will stop the liquidation accordingly. If the member had a liquidation that was already collected in full, proceed to step 1.b.

b. Report TTC 563/000 with the correct 928 Remark sequence for the liquidation that was in relation to the remission and for the approved remission amount as listed in the approval letter. Refer to Appendix D for the transaction layout. This transaction will create the necessary credit for the MMPA as well as post the write-off amount to the WRITE OFF 989 REMARK. If an incorrect amount has been reported, report TTC 563/001 to process a checkage and then report the correct amount with TTC 563/000.

NOTE: The proper sequence to report with TTC 563 will be the record that reflects the installment of the liquidation and not the one-time credit or debit transaction. The record will have a FROM DATE DED (not 00000000) and a TO DATE DED and the CR DB code will be 'D'. If an incorrect sequence is reported, the transaction will fail.

2. Partial Remission. When a partial remission has been granted, report the below transactions. If the member did not have a liquidation established for the remission, the field cannot report the debt write off at this time. A JIRA request must be submitted as the corrective action must be taken by RFFKCI.

a. Report TTC 562 to stop the liquidation. Even if the liquidation is currently suspended, TTC 562 will stop the liquidation accordingly. If the member had a liquidation that was already collected in full, skip to step 2.c.

b. Report TTC 559 to start a new liquidation as necessary. The new liquidation amount will be for the portion of the debt that was denied as stated in the final action letter.

c. Report TTC 563/000 with the correct 928 Remark sequence for the liquidation that was in relation to the remission (see Note below) and for the approved remission amount as listed in the approval letter. Refer to Appendix D for the transaction layout. This transaction will create the necessary credit for the MMPA as well as post the write-off amount to the WRITE OFF 989 REMARK. If an incorrect amount has been reported, delete the erroneous TTC 563 transaction and report the correct one.

NOTE: The proper sequence to report with TTC 563 will be the record that reflects the installment of the liquidation and not the one-time credit or debit transaction. The record will have a FROM DATE DED (not 00000000) and a TO DATE DED and the CR DB code will be 'D'. If an incorrect sequence is reported, the transaction will fail.

3. Remission Denied. When a remission has been denied, the DO/FO will run TTC 561

RESM LIQ OF INDEBT if the member has a liquidation in suspense. This will remove the suspense flag and resume the repayment schedule that was originally established. No further action is required. If the member does not have a liquidation in suspense, no action is required.

TTC/SEQ 561/000\*

RESM|LIQ OF INDEBT-\$ (1) . / (2) | (3)

- (1) Original monetary amount of indebtedness
- (2) Eight-digit date effective date of suspension
- (3) Eight-digit effective date of resumption

***\*561/001 for reservists (not on active duty), for RFF-KCI Reserve Pay only***

FIRST ENDORSEMENT on DD Form 2789 of \_\_\_\_\_

From: (Applicant's current CO)

To: Commandant of the Marine Corps, Programs & Resources (RFF), Quantico, VA 22134

Via: (1) (Applicant's current Administrative Officer)  
(2) (Applicant's current Finance/Disbursing Officer)

Subj: REQUEST FOR REMISSION OF INDEBTEDNESS; CASE OF, (member's name, EDIPI), MOS (XXXX)

Encl: (if applicable)

1. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)
2. The applicant was notified or became aware of this debt on \_\_\_\_\_. (If the member knew or should have known about the debt prior to formal notification, indicate when the member knew or should have known and outline the rationale.)
3. I have reviewed the applicant's statement and the statement appears to be accurate. (If any portion of the statement appears to be incorrect, provide details.) The applicant \_\_\_\_\_ will \_\_\_\_\_ will not experience financial hardship due to (explain in detail why the member will or will not experience financial hardship as demonstrated by the NAVMC 11082).
4. The following information has a bearing on this case: (Include information that may have made the applicant aware of the error. Submit copies of all material documents as an enclosure. Include statements from persons with knowledge of the matter. A statement must be enclosed from any available person who is named in the basic application letter.)
5. The debt or overpayment in this case appears to be caused in whole or in part by a/an \_\_\_ administrative error \_\_\_ disbursing error \_\_\_ administrative and disbursing error.
6. I recommend the requested remission \_\_\_ be granted in full \_\_\_ not be granted \_\_\_ be granted in the amount of \$\_\_\_\_\_. (Provide the rationale for your recommendation. If the applicant is an active duty enlisted member or temporary officer with permanent enlisted status, include a statement concerning the applicant's proficiency and conduct, value to the service, and whether, because of the amount involved, collection would cause hardship or a deterioration of morale.)

Sample CO's Endorsement

NOTE: Some deviation from this form is expected depending on what knowledge the CO has regarding the above information.

SECOND ENDORSEMENT on DD Form 2789 of (date on DD Form 2789)

From: (Applicant's current Administrative Officer)  
To: Commandant of the Marine Corps, Programs & Resources (RFF), Quantico, VA 22134  
Via: (1) (Applicant's current Finance/Disbursing Officer)

Subj: REQUEST FOR REMISSION OF INDEBTEDNESS; CASE OF, (member's name, EDIPI), MOS (XXXX)

Encl: (if applicable)

1. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)
2. The applicant was notified or became aware of this debt on \_\_\_\_\_. (If the member knew or should have known about the debt prior to formal notification, indicate when the member knew or should have known and outline the rationale.)
3. I have reviewed the applicant's statement and the statement appears to be accurate (If the member provided a statement. If any portion of the statement appears to be incorrect, provide details.).
4. The following information has a bearing on this case: (The AO endorsement should focus on detailing any administrative action that caused the erroneous payment. Include information that may have made the applicant aware of the error. Submit copies of all material documents as an enclosure. Include statements from persons with knowledge of the matter. A statement must be enclosed from any available person who is named in the basic application letter.)
5. The erroneous payment in this case appears to be caused in whole or in part by a/an \_\_\_ administrative error \_\_\_ disbursing error \_\_\_ administrative and disbursing error.
6. I recommend the requested remission \_\_\_ be granted in full \_\_\_ not be granted \_\_\_ be granted in the amount of \$\_\_\_\_\_. (Provide the rationale for your recommendation. The recommendation should be based on whether the member should have reasonably been aware of the administrative action(s) that caused the debt and if so, the actions the member took to correct the error(s). The member's MOS/billet should have a bearing on the recommendation. The opinion of the AO should clearly reflect where the burden of responsibility lies; with the member, admin, finance or the system.

Sample: Administrative Officer's Endorsement

NOTE: Some deviation from this form is expected depending on the circumstances of the case.

FIRST ENDORSEMENT on DD Form 2789 of \_\_\_\_\_

From: (Applicant's current Command)  
To: Commandant of the Marine Corps, Programs & Resources (RFF), Quantico, VA 22134  
Via: (1) (Applicant's current Finance/Disbursing Officer)

Subj: REQUEST FOR REMISSION OF INDEBTEDNESS; CASE OF, (member's name, EDIPI), MOS (XXXX)

Encl: (if applicable)

1. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)
2. The applicant was notified or became aware of this debt on \_\_\_\_\_. (If the member knew or should have known about the debt prior to formal notification, indicate when the member knew or should have known and outline the rationale.)
3. I have reviewed the applicant's statement and the statement appears to be accurate. (If any portion of the statement appears to be incorrect, provide details.) The applicant \_\_\_\_\_ will \_\_\_\_\_ will not experience financial hardship due to (explain in detail why the member will or will not experience financial hardship as demonstrated by the NAVMC 11082).
4. The following information has a bearing on this case: (Include information that may have made the applicant aware of the error. Detail any administrative action that caused the debt. Include information that may have made the applicant aware of the error. Submit copies of all material documents as an enclosure. Include statements from persons with knowledge of the matter. A statement must be enclosed from any available person who is named in the basic application letter.)
5. The debt or overpayment in this case appears to be caused in whole or in part by a/an \_\_\_ administrative error \_\_\_ disbursing error \_\_\_ administrative and disbursing error.
6. I recommend the requested remission \_\_\_ be granted in full \_\_\_ not be granted \_\_\_ be granted in the amount of \$\_\_\_\_\_. (Provide the rationale for your recommendation. If the applicant is an active duty enlisted member or temporary officer with permanent enlisted status, include a statement concerning the applicant's proficiency and conduct, value to the service, and whether, because of the amount involved, collection would cause hardship or a deterioration of morale. The recommendation should also be based on whether the member should have reasonably been aware of the administrative action(s) that caused the debt and if so, the actions the member took to correct the error(s). The member's MOS/billet should have a bearing on the recommendation. The endorsement should reflect where the burden of responsibility lies; with the member, admin, finance or the system.

Sample CO/AO Endorsement

NOTE: Some deviation from this form is expected depending on what knowledge the CO has regarding the above information.

From: (Applicant's current Finance/Disbursing Officer)  
To: Commandant of the Marine Corps Programs & Resources (RFF), Quantico, VA 22134

Subj: REQUEST FOR REMISSION OF INDEBTEDNESS; CASE OF, (member's name, EDIPI), MOS (XXXX)

Encl: (if applicable)

1. The original amount of the indebtedness or overpayment in this case, before any collection or offset credit, was \$\_\_\_\_\_. Of this amount, \$\_\_\_\_\_ has been collected, and \$\_\_\_\_\_ remains to be collected. (The total of the amounts in the second sentence must equal the amount in the first sentence.) I \_\_\_ do \_\_\_ do not authorize suspension of the debt. Provide additional rationale to your position regarding the suspension of debt collection. Authority exists to suspend collection action in the case of active duty enlisted members, including temporary officers with a permanent enlisted status. In the case of Active Duty Officers and Drilling Reservists.
2. The circumstances surrounding the debt or overpayment are: (Provide a thorough analysis of the cause of erroneous payment(s). Include available information as to the date it was discovered, the source of the discovery, whether it was the subject of a notice of exception by the General Accounting Office, and a specific explanation of when, and how the member was notified. Enclose a copy of any document establishing the debt, and a copy of all pay related documents material to the case. Include a specific explanation as to how the debt is computed. Also, if the debt consists of more than one item of pay and allowances, isolate each item with an explanation as to how the total debt was computed. If the debt resulted from a miscomputation in pay, show whether the total erroneous payment resulting from the miscomputation was received in small amounts over an extended period of time, or whether the erroneous payment was received in a lump sum.)
3. There \_\_\_ is \_\_\_ is not any indication of fraud, misrepresentation, fault, or lack of good faith on the part of the applicant or any person with an interest in their behalf. (If "is," provide details.)
4. The debt in this case \_\_\_ was \_\_\_ was not caused in whole or in part by finance error. (Explain the corrective measures taken to prevent similar errors in the future, and/or make a recommendation pertaining thereto.)
5. I recommend the requested remission \_\_\_ be granted in full \_\_\_ not be granted \_\_\_ be granted in the amount of \$\_\_\_\_\_. (Provide the rationale for your recommendation)

Sample DO/FO's Endorsement

#### 4. WOUNDED WARRIOR WAIVERS/REMISSIONS

A. Standards of Consideration. Application and processing procedures on all requests for remission or waiver of indebtedness will be in strict accordance with the guidelines and standards contained in this chapter. Failure to comply with these guidelines and standards will result in the application being returned to the appropriate echelon for correction and resubmission.

B. Reference. National Defense Authorization Act for Fiscal Year 2006 and the Under Secretary of Defense Memo dated Jan 30, 2006, Policy on Waiver, Remission, or Cancellation of Debt Owed to the United States.

C. General. To the extent permitted by law, debts owed to the United States or its instrumentalities incurred by members of the armed forces (enlisted and officers) while serving on active duty who are wounded or injured as a result of hostile fire or who suffer a non-battle disease or injury while serving in a CZTE or hostile area, shall be given consideration for the waiver, remission or cancellation of debts by the Secretaries of the Military Departments. This authority is effective immediately. Any member wounded in action (WIA) may submit a Remission/ Waiver of Indebtedness. In most overpayment cases, the cause of the overpayment is due to the late termination of member's combat and deployed entitlements. If it is determined, that the wounded member's debt is the result of administrative or finance error, the requirement of a signed statement by the member addressing awareness of the erroneous overpayment is not required. However, the CO or the DO/FO must endorse the member's waiver package with a statement indicating the waiver is being submitted on behalf of a member who is WIA.

D. CO Responsibilities. Upon the reporting of retroactive stops for member's that are WIA, notify the supporting DO/FO using a NAVMC 11116 of the pending retroactive pay adjustments that will adversely affect the member's pay account. When requested by the member, the NAVMC 11116 should direct that the overpayment be liquidated and a special payment be issued if required. A Remission/Waiver of Indebtedness package should then be initiated in accordance with this chapter. The CO's endorsement should clearly indicate that the waiver is being requested due to the member being WIA. Wounded Warrior Battalion or Regiment must provide an endorsement to the service member's waiver or remission package.

E. DO/FO Responsibilities. Due to the time constraints placed on the submission of the waiver or remission package, the DO/FO is advised to produce a future LES to assist in working the case. In those cases where the wounded member is being transferred to TDRL/PDRL, the intent is to have the waiver or remission approved prior to the transfer. The future LES will assist with determining the full amount of the indebtedness. The NDAA authorizes the remittance of any part of the indebtedness. Therefore, all pay and allowances and taxes (FITW and SITW) are to be included in the total debt computation. When setting up the liquidation, ensure that the monetary amount of the indebtedness includes the members overstated tax amount. The following procedures need to be implemented for current separation packages being worked by the finance officer for a WIA service member if they are indebted to the government:

1. Prepare the Production LES and determine the amount that the member is indebted and that the debt is a valid WIA debt. Coordinate with the CO to have a waiver or remission package submitted on behalf of the member.

2. Do not commence collection action from the member for the WIA debt pending determination of the waiver or remission request.

3. The separations package is to be held pending zero balancing and determination on the waiver or remission request. When the waiver or remission request is properly identified as a WIA waiver or remission and submitted via DTMS to CMC P&R (RF), then waiver or remission action should normally be complete prior to receipt of the next LES for zero balancing.

4. When waiver or remission action is not completed upon receipt of the next LES, then the DO/FO must continue to coordinate with RFF as appropriate regarding the status of the waiver or remission package. The separations package must continue to be held, as it is not considered zero balanced due to the pending waiver or remission.

5. Once final action is complete, the DO/FO will continue with the zero balancing process.

6. The DO/FO must ensure all appropriate waiver or remission related entries are processed and posted as part of the zero balance process.