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§ 831.1404 Financial hardship.

Financial hardship may be deemed to exist in—but not limited to—those situations where the annuitant from whom collection is sought needs substantially all of his/her current income and liquid assets to meet current ordinary and necessary living expenses and liabilities.

(a) *Considerations.* Some pertinent considerations in determining whether recovery would cause financial hardship are as follows:

(1) The individual's financial ability to pay *at the time collection is scheduled to be made.*

(2) Income to other family member(s), if such member's ordinary and necessary living expenses are included in expenses reported by the annuitant.

(b) *Exemptions.* Assets exempt from execution under State law should not be considered in determining an individual's ability to repay the indebtedness, rather primary emphasis shall be placed upon the annuitant's liquid assets and current income in making such determinations.

§ 831.1405 Ordinary and necessary living expenses.

An individual's ordinary and necessary living expenses include rent, mortgage payments, utilities, maintenance, food, clothing, insurance (life, health and accident), taxes, installment payments, medical expenses, support expenses when the annuitant is legally responsible, and other miscellaneous expenses which the individual can establish as being ordinary and necessary.

§ 831.1406 Waiver precluded.

(a) *When not granted.* Waiver of an overpayment cannot be granted when—

(1) The overpayment was obtained by fraud; or

(2) The overpayment was made to an estate.

§ 831.1407 Burdens of proof.

(a) *Burden of OPM.* The Associate Director for Compensation must establish by the preponderance of the evidence that an overpayment occurred.

(b) *Burden of annuitant.* The recipient of an overpayment must establish by substantial evidence that he/she is eligible for waiver or an adjustment.

Subpart O—Allotments From Civil Service Annuities

SOURCE: 42 FR 52373, Sept. 30, 1977; 42 FR 61240, Dec. 2, 1977, unless otherwise noted.

§ 831.1501 Definitions.

(a) *Allotment* means a specified deduction from the annuity payments due an annuitant voluntarily authorized by the annuitant to be paid to an allottee.

(b) *Allottee* means the institution or organization to which the allotment is paid.

(c) *Allotter* means the annuitant from whose annuity payments an allotment is deducted.

(d) *Annuity Payments* means the net monthly annuity payment due an annuitant after all authorized deductions (such as those for health benefits, Federal income tax, overpayment of annuity, payment of a government claim, etc. have been made.

§ 831.1511 Authorized allottees.

(a) An annuitant may make an allotment to the national office or headquarters of any of the following organizations:

(1) A labor organization recognized under Executive Order 11491, as amended;

(2) An employee organization recognized under 5 U.S.C. 8901(8);

(3) Other lawful organizations which:

(i) Are national in scope,

(ii) Are nonprofit and noncommercial, existing primarily for the purpose of representing employee or annuitant interests in their dealings with employing agencies or OPM,

(iii) Consist primarily of Federal employees and/or annuitants, and

(iv) Existed as of December 23, 1975.

(b) OPM, in its sole discretion, may approve the individual organizations which may receive allotments only after the organization has collected, in accordance with procedures prescribed by OPM, a minimum of two thousand (2,000) allotment authorizations from civil service annuitants.

(c) OPM shall permit an annuitant to make an allotment to an organization only when: