

**Executive Order 13563 and Executive Order 12866**

The Office of Management and Budget has reviewed this rule in accordance with E.O. 13563 and 12866.

**List of Subjects in 5 CFR Part 550**

Administrative practice and procedure, Claims, Government employees, Wages.

U.S. Office of Personnel Management.

**Katherine Archuleta,**  
*Director.*

Accordingly, OPM is amending 5 CFR part 550 as follows:

**PART 550—PAY ADMINISTRATION (GENERAL)**

**Subpart K—Collection by Offset From Indebted Government Employees**

■ 1. The authority citation for subpart K of part 550 continues to read as follows:

**Authority:** 5 U.S.C. 5514; sec. 8(1) of E.O. 11609; redesignated in sec. 2–1 of E.O. 12107.

■ 2. In § 550.1102, revise paragraph (b)(1) and add a new paragraph (b)(3) to read as follows:

**§ 550.1102 Scope.**  
\* \* \* \*

(b) \* \* \*

(1) *Excluded debts.* The procedures contained in this subpart do not apply to—

- (i) Debts arising under the Internal Revenue Code (26 U.S.C. 1 *et seq.*);
- (ii) Debts arising under the tariff laws of the United States;
- (iii) Any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (e.g., travel advances in 5 U.S.C. 5705 and employee training expenses in 5 U.S.C. 4108); or
- (iv) Any other debt excluded by the FCCS or 31 CFR part 285.

\* \* \* \*

(3) *Compromise, suspension, or termination of collection actions.* This subpart does not preclude the compromise, suspension, or termination of collection actions, where appropriate, as provided in the FCCS (31 CFR 900.4) or the use of alternative dispute resolution methods if they are not inconsistent with agency-specific laws and regulations.

■ 3. In § 550.1103, revise the definition of “FCCS” to read as follows:

**§ 550.1103 Definitions.**  
\* \* \* \*

*FCCS* means the Federal Claims Collections Standards published in 31 CFR parts 900 through 904.  
\* \* \* \*

■ 4. In § 550.1104, revise paragraph (d) introductory text and paragraphs (d)(3), (i), and (j) to read as follows:

**§ 550.1104 Agency regulations.**  
\* \* \* \*

(d) *Notification before deductions begin.* Provide for notification before deductions begin. Except as provided in paragraph (c) of this section, deductions under the authority of 5 U.S.C. 5514 must not be made unless the head of the creditor agency (or authorized designee) provides the employee a written notice at least 30 days before any deduction begins. (For debts outstanding more than 10 years on or before June 11, 2009, see also 31 CFR 285.7(d) for additional notification requirements.) The written notice must state at a minimum:  
\* \* \* \*

(3) The frequency and amount of the intended deduction (stated as a fixed dollar amount or as a percentage of pay, not to exceed 15 percent of disposable pay except as provided in paragraph (i) of this section) and the intention to continue the deductions until the debt is paid in full or otherwise resolved;  
\* \* \* \*

(i) *Limitation on amount of deductions.* Prescribe the limitations on the amount of the deduction. Ordinarily, the size of installment deductions must bear a reasonable relationship to the size of the debt and the employee’s ability to pay (see the FCCS at 31 CFR 901.8). However, the amount deducted for any period under this subpart may not exceed 15 percent of the disposable pay from which the deduction is made, unless the employee has agreed in writing to the deduction of a greater amount or a higher deduction has been ordered by a court under section 124 of Public Law 97–276 (96 Stat.1195).

(j) *Duration of deductions.* Prescribe the duration of deductions under this subpart. Ordinarily, debts must be collected in one lump sum where possible. However, if the employee is financially unable to pay in one lump sum or the amount of the debt exceeds 15 percent of disposable pay (or other applicable limitation as provided in paragraph (i) of this section) for an officially established pay interval, collection must be made in installments. Such installment deductions must be made over a period not greater than the anticipated period of active duty or employment, as the case may be, except

as provided in paragraphs (1) and (m) of this section.

\* \* \* \*

■ 5. Revise § 550.1106 to read as follows:

**§ 550.1106 Time limit on collection of debts.**

Agencies may initiate salary offset to collect a debt without time limitations on any debt outstanding after the Government’s right to collect the debt first accrued. (See § 550.1108 for requirement when debts are delinquent over 180 days.)

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**OFFICE OF PERSONNEL MANAGEMENT**

**5 CFR Part 870**

**RIN 3206–AM98**

**Federal Employees’ Group Life Insurance Program: Election Opportunities for Pathways Participants**

**AGENCY:** U.S. Office of Personnel Management.

**ACTION:** Interim Final Rule with request for comments.

**SUMMARY:** The U.S. Office of Personnel Management (OPM) is issuing an interim final regulation to update the Federal Employees’ Group Life Insurance (FEGLI) regulations to reflect updated election opportunities for participants in the Pathways Programs, which were designed to promote employment for students and recent graduates in the Federal workforce through internships with Federal agencies.

**DATES:** This interim final rule is effective February 5, 2014. Comments are due on or before March 7, 2014.

**FOR FURTHER INFORMATION CONTACT:** Ronald Brown, Policy Analyst, (202)606–0004, or by email to [Ronald.Brown@opm.gov](mailto:Ronald.Brown@opm.gov).

**SUPPLEMENTARY INFORMATION:** OPM is issuing an interim final regulation to reflect the FEGLI election opportunities authorized by Executive Order (E.O.) 13562 signed by the President on December 27, 2010. E.O. 13562 established the Internship Program and the Recent Graduates Program, which, along with the Presidential Management Fellows Program, as modified therein, became the Pathways Programs. This interim final rule updates 5 CFR 870.302(b)(2) to allow FEGLI election opportunities for participants in the

Pathways Programs as authorized by the final rule: "Excepted Service, Career and Career-Conditional Employment; and Pathways Programs," 77 FR 28193 (May 11, 2012).

### Changes

Students hired under an Internship Program, Recent Graduate Program, or Presidential Management Fellows (PMF) Program, collectively known as the Pathways Programs, and who are employed in an appointment for a period expected to last longer than 1 year are eligible for life insurance coverage, as long as they are expected to be in a pay status for at least one-third of the total period of time from the date of their initial appointment to the date of the completion of the Program. The regulations are being changed to reflect this enrollment opportunity. This change can be found in section 870.302(b)(2).

### Waiver of Proposed Rulemaking

OPM has determined that it would be impracticable, unnecessary, and contrary to the public interest to delay putting the provisions of this interim final regulation in place until a public notice and comment process has been completed. Under section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 551 et seq.) a general notice of proposed rulemaking is not required when an agency, for good cause, finds that notice and public comment thereon are impracticable, unnecessary, or contrary to the public interest. The FEGLI elections authorized by E.O. 13562 for students and recent graduates require immediate implementation to protect available election opportunities for enrollees and their eligible dependents.

### Regulatory Flexibility Act

I certify that this regulation will not have a significant economic impact on a substantial number of small entities because the regulation only affects life insurance benefits of Federal employees and retirees.

### Executive Order 12866, Regulatory Review

This rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 12866.

### List of Subjects in 5 CFR Part 870

Administrative practice and procedure, Government employees, Life insurance, Retirement.

U.S. Office of Personnel Management.

**Katherine Archuleta,**

*Director.*

Accordingly, OPM is amending 5 CFR part 870 as follows:

### PART 870—FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

■ 1. The authority citation for 5 CFR part 870 is revised to read as follows:

**Authority:** 5 U.S.C. 8716; Subpart J also issued under section 599C of Pub. L. 101–513, 104 Stat. 2064, as amended; Sec. 870.302(a)(3)(ii) also issued under section 153 of Pub. L. 104–134, 110 Stat. 1321; Sec. 870.302(a)(3) also issued under sections 11202(f), 11232(e), and 11246(b) and (c) of Pub. L. 105–33, 111 Stat. 251, and section 7(e) of Pub. L. 105–274, 112 Stat. 2419; Sec. 870.302(a)(3) also issued under section 145 of Pub. L. 106–522, 114 Stat. 2472; Secs. 870.302(b)(8), 870.601(a), and 870.602(b) also issued under Pub. L. 110–279, 122 Stat. 2604.

### Subpart C—Eligibility

■ 2. Section 870.302(b)(2) is revised to read as follows:

#### § 870.302 Exclusions.

\* \* \* \* \*

(b) \* \* \*

(2) An employee who is employed for an uncertain or purely temporary period, who is employed for brief periods or intervals, or who is expected to work less than 6 months in each year. Exception: an employee who receives an appointment of at least 1 year's duration as an Intern under § 213.3402(a) of this chapter and who is expected to be in a pay status for at least one-third of the total period of time from the date of the first appointment to the completion of the work-study program.

\* \* \* \* \*

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### OFFICE OF PERSONNEL MANAGEMENT

#### 5 CFR Parts 890 and 894

**RIN 3206–AM97**

#### Federal Employees Health Benefits Program and Federal Employees Dental and Vision Insurance Program: Eligibility for Pathways Programs Participants

**AGENCY:** U.S. Office of Personnel Management.

**ACTION:** Interim Final Rule with request for comments.

**SUMMARY:** The U.S. Office of Personnel Management (OPM) is issuing an interim final regulation to update the

Federal Employees Health Benefits Program (FEHBP) and the Federal Employees Dental and Vision Insurance Program (FEDVIP) regulations to reflect updated election opportunities for participants in the Pathways Programs. The Pathways Programs were created by Executive Order (E.O.) 13562, signed by the President on December 27, 2010, and are designed to enable the Federal Government to compete effectively for students and recent graduates by improving its recruitment efforts through internships and similar programs with Federal agencies. This interim final rule furthers these recruitment and retention efforts by providing health insurance, as well as dental and vision benefits, to eligible program participants and their families.

**DATES:** This interim final rule is effective February 5, 2014. Comments are due on or before March 7, 2014.

#### FOR FURTHER INFORMATION CONTACT:

Ronald Brown, Policy Analyst, (202)606–0004, or by email to [Ronald.Brown@opm.gov](mailto:Ronald.Brown@opm.gov).

**SUPPLEMENTARY INFORMATION:** The Pathways Programs offer clear paths to civil service careers for recent graduates and provide meaningful training, mentoring, and career-development opportunities through internships and similar programs with Federal Government agencies. This interim final rule updates 5 CFR 890.303 and 5 CFR 894.302 to allow election opportunities for participants in these programs as authorized by the final rule: "Excepted Service, Career and Career-Conditional Employment; and Pathways Programs," 77 FR 28193 (May 11, 2012).

Accordingly, to provide essential healthcare benefits, and dental and vision benefits, and to further the recruitment and retention of talent by Federal agencies, OPM is issuing this rule to allow Pathways Programs participants to elect FEHBP and FEDVIP benefits.

### Changes

(1) Executive Order 13562, Recruiting and Hiring Students and Recent Graduates, and implementing regulations provide employee benefits to eligible participants in the Federal Government internships known as the Pathways Programs. The Federal Employee Dental and Vision Insurance Program (FEDVIP), signed into law on December 23, 2004, established a dental benefits and vision benefits program for Federal employees, annuitants, and their eligible family members. The FEDVIP benefit is available to all eligible Federal employees and is a valuable tool to recruit and retain