



# United States Department of the Interior

INTERIOR BUSINESS CENTER  
Denver, CO 80235

D-2640

September 17, 2020

## Memorandum

To: Client Accounting Offices

From: Christine Zertuche-Rocha, Chief //signed//  
Payroll Operations Division

Subject: Repayment of Salary Debts

The Interior Business Center (IBC) requests your assistance in submitting documentation to the Payroll Operations Division (POD) when former employees repay salary debts that were transferred to Client Accounting Offices (CAOs). This will allow the IBC to process timely updates that reflect repayments to each employee's Form W-2, Wage and Tax Statement.

Since the POD is responsible for collecting debts for active employees, the Form W-2s are automatically updated upon repayment. Former employees repay debts directly to the CAO, as those debts are transferred to them when an employee separates or retires. If the former employee repays the CAO, the repayment must be reported to the POD in order for us to process adjustments to the employee's Form W-2 record to reflect full or partial repayment. The reporting requirement is only for salary debts and excludes other payments such as those for health benefits debts.

To ensure that Form W-2 for 2020 is correct, please send all debt and repayment notifications that occurred in 2020 to the POD no later than December 4, 2020. The only required documentation is a copy of the bill marked "Paid," the date of repayment or payments, and the debt identification number that was used when the debt was transferred. Your documentation to us initiates the final steps in the collection process, which includes updating applicable wages and recovering OASDI and/or Medicare taxes (employee and agency matching portions). This step also results in crediting the agency with these recovered taxes. Notifications received after December 4, 2020, may result in a Form W-2C, Corrected Tax and Wage Statement, to the former employee.

If you have any questions about this process, please contact John Castillo at (303) 969-6340 or by email to [John\\_A\\_Castillo@ibc.doi.gov](mailto:John_A_Castillo@ibc.doi.gov).