

MANUAL: Personnel
Chapter Series CC--Commissioned Corps Personnel Manual
Part 2--Commissioned Corps Personnel Administration

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Public Health Service

Chapter CC22--Pay and Allowance Administration
Subchapter CC22.7--Collections and Deductions
Personnel INSTRUCTION 1--Deductions; General

CONTENTS

<u>Section</u>	<u>Subject</u>	<u>Page</u>
A.	Purpose and Scope.....	1
B.	Authority.....	1
C.	Types of Deductions.....	1
D.	Deduction Procedures.....	2

Section A. Purpose and Scope

This INSTRUCTION sets forth the conditions under which deductions are made from the pay and allowances of a commissioned officer of the Public Health Service (PHS) serving on active duty, or may be made upon request of the officer.

Section B. Authority

The withholding of Federal income tax is required under authority of 26 U.S.C. 3042. Other deductions from pay and allowances as stated in this INSTRUCTION are authorized under the statutes authorizing the specific program. These authorities are cited in the CCPM INSTRUCTIONS referred to in Section D, below.

Section C. Types of Deductions

For purposes of this INSTRUCTION, a deduction is the withholding of a definite portion of an officer's pay and allowances authorized by the officer upon the acceptance of a specific Government program, or as required by law, such as withholding of Federal/State income taxes. Deductions are limited to the following:

1. Federal/State income tax withholding.
2. Social security deductions made under the Federal Insurance Contributions Act (FICA).
3. Premium payments for Servicemen's Group Life Insurance (SGLI).
4. Contributions under the Veterans Educational Assistance Program (VEAP).

Section D. Deduction Procedures

1. Federal/State Income Tax Withholding. Federal income tax withholding is mandatory and is automatically withheld from the officer's taxable pay. For Federal income tax purposes, "officer's pay" is defined to include basic pay, special pay, retainer pay, and incentive pay. The amount withheld is based on marital status and the number of exemptions claimed by the officer on his/her Form W-4 which must be submitted to:

Pay and Allowances Section
Compensation and Benefits Branch, CPOD/OPM/OM
Parklawn Building, Room 4-38
5600 Fishers Lane
Rockville, Maryland 20857

Until this form is received by the payroll office, the officer's tax withholding will be based on "single" status with zero exemptions.

2. State Income Tax Withholding. State income tax withholding is made in accordance with agreements between the Federal Government and the States. For information on Federal/State income tax withholding agreements, refer to Subchapter CC22.7, INSTRUCTION 3, of this Manual.
3. Federal Insurance Contributions Act. This is a mandatory and automatic deduction (see Subchapter CC22.7, INSTRUCTION 2, of this Manual for information on the current FICA deduction rate).
4. Servicemen's Group Life Insurance. Premium payments for SGLI coverage are automatically deducted for maximum coverage (\$35,000) upon his/her entry on active duty, unless the officer submits a VA Form 29-8286 electing not to be covered or electing reduced coverage. For information on election procedures, refer to Subchapter CC29.4, INSTRUCTION 1, of this Manual.
5. Veterans Educational Assistance Program (VEAP). Deductions for VEAP contributions are made only upon submittal of an officer's application to participate in the program on Form PHS-6162, "Contributory Educational Assistance Program Statement of Understanding." For information on the application procedures, refer to Subchapter CC29.9, INSTRUCTION 7, of this Manual.

THIS PAGE INTENTIONALLY LEFT BLANK