

SEC. 661. LIMITATIONS ON COLLECTION OF OVERPAYMENTS OF PAY AND ALLOWANCES ERRONEOUSLY PAID TO MEMBERS.

(a) Maximum Monthly Percentage of Member's Pay Authorized for Deduction- Paragraph (3) of subsection (c) of section 1007 of title 37, United States Code, is amended by striking `20 percent' and inserting `15 percent'.

(b) Requests for Delay in Repayment- Such paragraph is further amended--

(1) by inserting `(A)' after `(3)'; and

(2) by adding at the end the following new subparagraph:

`(B) In all cases described in subparagraph (A), the Secretary concerned shall provide a reasonable opportunity for the member to request a delay in the imposition of the repayment requirement to recover the indebtedness. Before beginning collection efforts, the Secretary concerned shall consider the reasons provided by the member for the requested delay, including the financial ability of the member to repay the indebtedness, and the hardship that immediate collection would impose on the member and the member's dependents.'

(c) Delay in Instituting Collections From Wounded or Injured Members- Paragraph (4) of such subsection is amended to read as follows:

`(4)(A) If a member of the uniformed services, through no fault of the member, incurs a wound, injury, or illness while in the line of duty in a combat operation or combat zone designated by the President or the Secretary of Defense, any overpayment of pay or allowances made to the member while the member recovers from the wound, injury, or illness may not be deducted from the member's pay until--

`(i) the member is notified of the overpayment; and

`(ii) the later of the following occurs:

`(I) The end of the 180-day period beginning on the date of the completion of the tour of duty of the member in the combat operation or combat zone.

`(II) The end of the 90-day period beginning on the date of the reassignment of the member from a military treatment facility or other medical unit outside of the theater of operations.

`(B) Subparagraph (A) shall not apply if the member, after receiving notification of the overpayment, requests or consents to initiation at an earlier date of the collection of the overpayment of the pay or allowances.'

(d) Effective Date- The amendments made by this section shall apply only with respect to an overpayment of pay or allowances made to a member of the uniformed services after the date of the enactment of this Act.