



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

Employee Services

Thursday, February 7, 2008

CPM 2008-05

MEMORANDUM FOR: Human Resources Directors

FROM: Nancy H. Kichak Associate Director

Subject: Final Regulations on Allotments From Federal Employees

I am pleased to inform you the U.S. Office of Personnel Management (OPM) has issued final regulations concerning allotments from Federal employees. The regulations are available at opm.gov/fedregis. These final regulations involve the use of OPM's allotment authority to allow for pretax salary reductions as part of OPM's flexible benefits plan. Using an allotment from an employee's pay to the employing agency allows certain payments (e.g., employee health insurance premiums, contributions to a flexible spending arrangement, and contributions to a health savings account) to be paid with pretax dollars, as provided under section 125 of the Internal Revenue Code. In addition, these regulations finalize certain policy clarifications and changes to make the regulations more readable. For further information, you may contact your agency's assigned OPM Human Capital Officer. Employees should contact their agency's human resources offices for assistance.