

**United States Department of Labor
Employees' Compensation Appeals Board**

<hr/>		
A.G., Appellant)	
)	
and)	
)	Docket No. 26-0246
)	Issued: April 20, 2026
U.S. POSTAL SERVICE, PLEASANT RIDGE)	
ANNEX POST OFFICE, Greensboro, NC,)	
Employer)	
<hr/>)	

Appearances:
Appellant, pro se
Office of Solicitor, for the Director

Case Submitted on the Record

DECISION AND ORDER

Before:
ALEC J. KOROMILAS, Chief Judge
PATRICIA H. FITZGERALD, Deputy Chief Judge
VALERIE D. EVANS-HARRELL, Alternate Judge

JURISDICTION

On January 14, 2026 appellant filed a timely appeal from a December 11, 2025 merit decision of the Office of Workers' Compensation Programs (OWCP). Pursuant to the Federal Employees' Compensation Act¹ (FECA) and 20 C.F.R. §§ 501.2(c) and 501.3, the Board has jurisdiction over the merits of this case.

ISSUES

The issues are: (1) whether appellant received an overpayment of compensation in the amount of \$1,237.32 for the period August 30 through September 6, 2025, for which he was without fault, because he continued to receive wage-loss compensation for total disability after returning to work; and (2) whether OWCP properly denied waiver of recovery of the overpayment.

¹ 5 U.S.C. § 8101 *et seq.*

FACTUAL HISTORY

On March 15, 2025 appellant, then a 60-year-old rural carrier, filed a traumatic injury claim (Form CA-2) alleging that on March 12, 2025 he sustained injuries when the vehicle he was operating was struck from behind by another motor vehicle while he was in the performance of duty. He stopped work on March 12, 2025. OWCP accepted the claim for superior glenoid labrum lesion/labral tear of the right shoulder; incomplete rotator cuff tear or rupture of the right shoulder; strain of muscle(s) and tendon(s) of the rotator cuff of the right shoulder; and tear of the long head of the biceps of the right arm. It paid appellant wage-loss compensation for total disability from work on the supplemental rolls, effective April 29, 2025, and on the periodic rolls, effective July 13, 2025.

On August 30, 2025 appellant returned to full-duty work on a full-time basis.

The case record contains payment records indicating that appellant received FECA wage-loss compensation for total disability from work for the period August 30 through September 6, 2025. An OWCP compensation termination worksheet noted that he received \$1,237.32 in wage-loss compensation for the period August 30 through September 6, 2025.

In a preliminary overpayment determination dated September 16, 2025, OWCP advised appellant of its preliminary determination that he received an overpayment of compensation in the amount of \$1,237.32 for the period August 30 through September 6, 2025, because he continued to receive wage-loss compensation for total disability after returning to work. It preliminarily determined that appellant was without fault in the creation of the overpayment. OWCP provided a detailed calculation of the amount of overpayment. It provided appellant with an overpayment action request form and notified him that, within 30 days of the date of the letter, he could request a telephone conference, a final decision based on the written evidence, or a precoupment hearing. OWCP also advised him that he could submit evidence challenging the fact, amount, or finding of fault, and request waiver of the overpayment. It requested that appellant complete and return an overpayment recovery questionnaire (Form OWCP-20) within 30 days. OWCP also requested that he submit supporting financial documentation, including copies of income tax returns, bank account statements, bills, pay slips, and any other records to support income and expenses. It advised appellant that it would deny waiver of recovery of the overpayment if he failed to furnish the requested financial information within 30 days.

Appellant requested waiver of recovery of the overpayment. On a completed Form OWCP-20, signed on October 9, 2025, he reported total monthly income of \$5,200.00, total monthly expenses of \$4,100.00, and total assets of \$1,450.00. Appellant submitted supporting financial documents, including bills and credit card statements.

By decision dated December 11, 2025, OWCP finalized its preliminary overpayment determination finding that appellant received an overpayment of compensation in the amount of \$1,237.32 for the period August 30 through September 6, 2025 because he continued to receive wage-loss compensation for total disability after returning to full-duty work on August 30, 2025.

It found that he was without fault in the creation of the overpayment but denied waiver of recovery of the overpayment.²

LEGAL PRECEDENT -- ISSUE 1

Section 8102(a) of FECA³ provides that the United States shall pay compensation for the disability or death of an employee resulting from personal injury sustained while in the performance of his duty.⁴ Section 8129(a) of FECA provides, in pertinent part:

“When an overpayment has been made to an individual under this subchapter because of an error of fact or law, adjustment shall be made under regulations prescribed by the Secretary of Labor by decreasing later payments to which an individual is entitled.”⁵

Section 8116(a) of FECA provides that while an employee is receiving compensation or if he has been paid a lump sum in commutation of installment payments until the expiration of the period during which the installment payments would have continued, the employee may not receive salary, pay or remuneration of any type from the United States, except in limited specified instances.⁶

ANALYSIS -- ISSUE 1

The Board finds that appellant received an overpayment of compensation in the amount of \$1,237.32 for the period August 30 through September 6, 2025, for which he was without fault, because he continued to receive wage-loss compensation for total disability after returning to work.

The record contains evidence, including payment records and an OWCP worksheet, which demonstrates that appellant received \$1,237.32 in FECA wage-loss compensation for the period August 30 through September 6, 2025 despite the fact that he had returned to work and was not entitled to receive FECA compensation for this period.⁷ Therefore, the Board finds that OWCP properly determined that appellant received a \$1,237.32 overpayment of compensation for the period August 30 through September 6, 2025.

² OWCP required appellant to repay the overpayment by making payments of \$50.00 every 28 days. With respect to the recovery of an overpayment, the Board’s jurisdiction is limited to those cases where OWCP seeks recovery from continuing compensation benefits. *A.B.*, Docket No. 18-0915 (issued October 24, 2018); *Miguel A. Muniz*, 54 ECAB 217 (2002). As appellant was not in receipt of continuing compensation at the time of OWCP’s overpayment determination, the Board does not have jurisdiction over the method of recovery of the overpayment in this case. *See Lorenzo Rodriguez*, 51 ECAB 295 (2000); 20 C.F.R. § 10.441.

³ 5 U.S.C. § 8101 *et seq.*

⁴ *Id.* at § 8102(a).

⁵ *Id.* at § 8129(a).

⁶ *Id.* at § 8116(a).

⁷ *Id.*

LEGAL PRECEDENT -- ISSUE 2

The waiver or refusal to waive an overpayment of compensation by OWCP is a matter that rests within OWCP's discretion pursuant to statutory guidelines.⁸ Section 8129 of FECA⁹ provides that an overpayment must be recovered unless incorrect payment has been made to an individual who is without fault and when adjustment or recovery would defeat the purpose of FECA or would be against equity and good conscience. Thus, a finding that appellant was without fault does not automatically result in waiver of recovery of the overpayment. OWCP must then exercise its discretion to determine whether recovery of the overpayment would defeat the purpose of FECA or would be against equity and good conscience.¹⁰

According to 20 C.F.R. § 10.436, recovery of an overpayment would defeat the purpose of FECA if recovery would cause hardship because the beneficiary needs substantially all of his or her income (including compensation benefits) to meet current ordinary and necessary living expenses, and also, if the beneficiary's assets do not exceed a specified amount as determined by OWCP from data provided by the Bureau of Labor Statistics.¹¹ An individual's liquid assets include, but are not limited to, cash on hand, the value of stocks, bonds, savings accounts, mutual funds, and certificates of deposits. Nonliquid assets include, but are not limited to, the fair market value of an owner's equity in property such as a camper, boat, second home, furnishings/supplies, vehicle(s) above the two allowed per immediate family, retirement account balances (such as Thrift Savings Plan or 401 (k)), jewelry, and artwork.¹²

According to 20 C.F.R. § 10.437 recovery of an overpayment is considered to be against equity and good conscience when an individual who received an overpayment would experience severe financial hardship attempting to repay the debt and when an individual, in reliance on such payments or on notice that such payments would be made, gives up a valuable right or changes his or her position for the worse.¹³ To establish that a valuable right has been relinquished, it must be shown that the right was in fact valuable, that it cannot be regained, and

⁸ See *L.D.*, Docket No. 18-1317 (issued April 17, 2019); *P.J.*, Docket No. 18-0248 (issued August 14, 2018); *Robert Atchison*, 41 ECAB 83, 87 (1989).

⁹ 5 U.S.C. § 8129(a)-(b); *A.C.*, Docket No. 18-1550 (issued February 21, 2019); see *D.C.*, Docket No. 17-0559 (issued June 21, 2018).

¹⁰ *H.A.*, Docket No. 25-0556 (issued June 20, 2025); *V.T.*, Docket No. 18-0628 (issued October 25, 2018).

¹¹ 20 C.F.R. § 10.436. OWCP's procedures provide that a claimant is deemed to need substantially all of his or her current net income to meet current ordinary and necessary living expenses if monthly income does not exceed monthly expenses by more than \$50.00. Federal (FECA) Procedure Manual, Part 6 -- Debt Management, *Final Overpayment Determinations*, Chapter 6.400.4a(3) (September 2020). OWCP's procedures further provide that assets must not exceed a resource base of \$6,200.00 for an individual or \$10,300.00 for an individual with a spouse or dependent, plus \$1,200.00 for each additional dependent. *Id.* at Chapter 6.400.4a(2).

¹² *Id.* at Chapter 6.400.4b(3)(a), (b).

¹³ 20 C.F.R. § 10.437(a), (b).

that the action was based chiefly or solely in reliance on the payments or on the notice of payment.¹⁴

Section 10.438 of OWCP's regulations provides that the individual who received the overpayment is responsible for providing information about income, expenses and assets as specified by OWCP. This information is needed to determine whether or not recovery of an overpayment would defeat the purpose of FECA or be against equity and good conscience. Failure to submit the requested information within 30 days of the request shall result in denial of waiver of recovery of the overpayment.¹⁵

ANALYSIS -- ISSUE 2

The Board finds that OWCP properly denied waiver of recovery of the overpayment.

As OWCP found appellant without fault in the creation of the overpayment, waiver must be considered, and repayment is still required unless adjustment of recovery of the overpayment would defeat the purpose of FECA or be against equity and good conscience.¹⁶

The evidence of record demonstrates that appellant has reported total monthly income of \$5,200.00, total monthly expenses of \$4,100.00, and total assets of \$1,450.00.¹⁷ As appellant's monthly income exceeds his monthly expenses by more than \$50.00, the Board finds that OWCP properly found that recovery of the overpayment would not defeat the purpose of FECA.¹⁸

The Board finds that appellant has not established that he was entitled to waiver on the basis that recovery of the overpayment would be against equity and good conscience because he has not shown, for the reasons noted above, that he would experience severe financial hardship in attempting to repay the debt or that he relinquished a valuable right or changed his position for the worse in reliance on the payment which created the overpayment.¹⁹ The Board thus finds that OWCP properly denied waiver of recovery of the overpayment.

CONCLUSION

The Board finds that appellant received an overpayment of compensation in the amount of \$1,237.32 for the period August 30 through September 6, 2025, for which he was without fault, because he continued to receive wage-loss compensation for total disability after returning

¹⁴ *Id.* at § 10.437(b)(1).

¹⁵ 20 C.F.R. § 10.438.

¹⁶ *Id.* at § 10.436.

¹⁷ OWCP indicated that appellant actually had total monthly income of \$5,897.00 in the form of wages from the employing establishment.

¹⁸ *Supra* note 10; *see also A.F.*, Docket No. 25-0192 (issued February 4, 2025).

¹⁹ *See L.D.*, Docket No. 18-1317 (issued April 17, 2019); *William J. Murphy*, 41 ECAB 569, 571-72 (1989).

to work. The Board further finds that OWCP properly denied appellant's request for waiver of recovery of the overpayment.

ORDER

IT IS HEREBY ORDERED THAT the December 11, 2025 decision of the Office of Workers' Compensation Programs is affirmed.

Issued: April 20, 2026
Washington, DC

Alec J. Koromilas, Chief Judge
Employees' Compensation Appeals Board

Patricia H. Fitzgerald, Deputy Chief Judge
Employees' Compensation Appeals Board

Valerie D. Evans-Harrell, Alternate Judge
Employees' Compensation Appeals Board