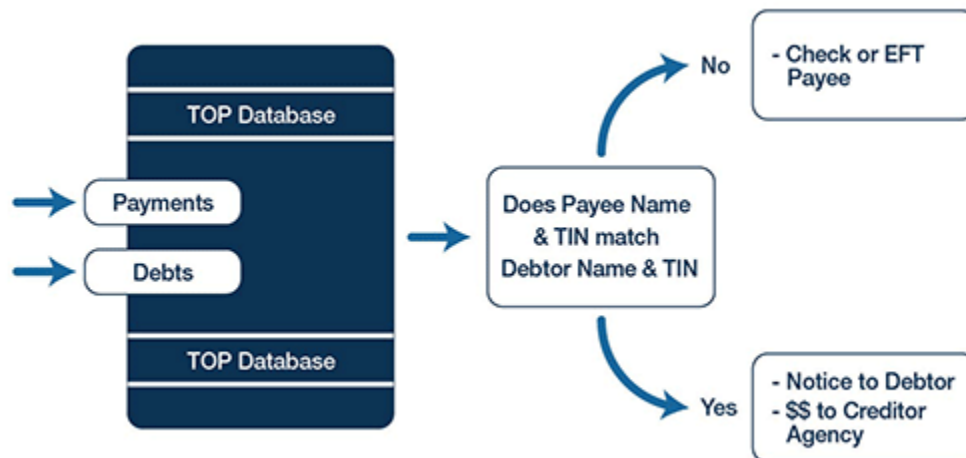


What Is the Treasury Offset Program?

The Treasury Offset Program is a centralized offset program, administered by the Bureau of the Fiscal Service's Debt Management Services (DMS), to collect delinquent debts owed to federal agencies and states (including past-due child support), in accordance with [26 U.S.C. § 6402\(d\)](#) (collection of debts owed to federal agencies), [31 U.S.C. § 3720A](#) (reduction of tax refund by amount of the debts), and [other applicable laws](#).

How Does TOP Work?

Fiscal Service disburses federal payments, such as federal tax refunds, for agencies making federal payments (known as "payment agencies"), such as the Internal Revenue Service. "Creditor agencies," such as the Department of Education, submit delinquent debts to the Fiscal Service for collection and inclusion in TOP and certify that such debts qualify for collection by **offset** (the reduction or withholding of a payment).



Payment agencies prepare and certify payment vouchers to Fiscal Service and disbursing officials at other federal agencies that are non-Treasury disbursed (such as the Department of Defense), who then disburse payments. The payment vouchers contain information about the payment including the Tax Identification Number (TIN) and name of the recipient.

Before an eligible federal payment is disbursed to a payee, disbursing officials compare the payment information with debtor information, which has been supplied by the creditor agency, in Fiscal Service's delinquent debtor database. If the payee's TIN and name match the TIN and name of a debtor, the disbursing official offsets (withholds) the payment, in whole or in part, to satisfy the debt, to the extent legally allowed.

Fiscal Service transmits amounts collected through offset to the appropriate creditor agencies. Fiscal Service maintains information about the delinquent debt in the TOP delinquent debtor database and continues to offset eligible federal payments until the creditor agency suspends or terminates debt collection or offset activity for the debt.

A creditor agency will suspend collection if the debt is subject to a bankruptcy stay or if other reasons justify suspension. A creditor agency will terminate collection of a debt if it is paid in full, compromised, discharged, or if other reasons justify termination.

Where Does the Fiscal Service Get the Authority to Offset Federal Payments?

The federal government's administrative debt collection activities are governed by a number of federal laws. Fiscal Service, as the central disbursing agency of the federal government is required to perform such offset pursuant to [31 U.S.C. § 3716\(c\)](#).

Other applicable legal authorities for TOP can be viewed in the [TOP Legal Authorities Quick Reference](#).

What are TOP's Program Rules, Requirements and Payment Exemptions?

Fiscal Service's [Summary of TOP's Program Rules and Requirements](#) explains the general rules applicable to TOP, due process prerequisites, offset amounts (percent of payments that may be offset by debt type) and TOP payment exemptions.

Frequently Asked Questions

When is a debt sent to the Treasury Offset Program?

In most cases, your name can be sent to TOP if your debt is more than 90 days delinquent. The government agency must determine that your debt is valid and legally enforceable. **The agency must send you notices about your debt and provide you with opportunities to resolve or dispute your debt.** The agency must also respond to questions and inquiries regarding your debt. If you have not received a notice about your debt, you must call the agency to which you owe the debt.

How does the Treasury Offset Program work?

- If you owe a delinquent debt to a government agency, that agency sends information about your debt to our database.
- Before you receive a federal payment, the database is searched to see if you owe a delinquent debt.
- If your debt is in the database, Fiscal Service will offset (reduce or withhold) your federal payment to pay your debt.
- When your payment is taken, a letter will be sent to you regarding the action.

What kinds of federal payments can be reduced?

Depending upon the type of debt you owe, the following federal payments may be eligible for offset or levy:

- tax refunds
- wages, including military pay
- retirement, including military retirement pay
- contractor/vendor payments
- travel advances and reimbursements
- certain federal benefit payments, including Social Security benefits (other than Supplemental Security Income), Railroad Retirement benefits (other than tier 2), and Black Lung (part B benefits)
- other federal payments that are not exempt by law or by action of the Secretary of the Treasury.

Federal law limits the amount that may be withheld from some types of federal payments.

How does a debtor know that he/she is in the TOP delinquent debtor database?

Before a creditor agency refers a debt to the Treasury Offset Program, it will have provided the debtor with all due process notices concerning the debt. These notices include: written notification of the nature and amount of the debt, the intention of the agency to collect the debt through administrative offset, and an explanation of the debtor's rights (inspection, copying, review and repayment opportunities). The creditor agency has therefore informed the delinquent debtor of the potential referral of the debt to the Treasury Offset Program. Once in the Treasury Offset Program, the debtor will be informed by Treasury when an offset is taken.

There may be other notices published or mailed to debtors if Treasury determines they are needed, but none are required by law except those stated above. A person is also entitled at any time to inquire in writing whether he/she is in the delinquent debtor database maintained by Treasury and he/she will be answered in writing by Treasury.

How do I pay a delinquent nontax debt owed to federal government?

If you have received a delinquent debt notice from the U.S. Department of the Treasury, you can pay your debt online here: <https://www.pay.gov/public/form/start/16531440/>

If you owe a delinquent student loan, visit Debt Resolution: Federal Student Aid. For information on paying delinquent tax debt, visit the IRS website.

What can a payee do to find out why a payment has been offset or what debts are owed to the federal government?

At the time a payment is offset, TOP sends a notice to the payee. In addition, the TOP staff can provide reports to states, businesses, and other entities to help identify delinquent nontax debts owed by the state, business, or other entity to the federal government. TOP staff can send you a report with the appropriate creditor agency contact information at the beginning of each month to assist with resolving these offsets.

To receive this report, TOP staff needs to receive a written authorization from your State

Comptroller or appropriate business official to release this information. The authorization should provide the name of a central point of contact, along with an address, telephone number, e-mail and postal mailing address.

What kind of nontax debts do states owe to the federal government?

Individuals, businesses, and states owe many types of nontax debts to the federal government, including, for example, grant overpayments, loans, overpayments on projects, and debts owed to Medicare.

What types of payments can be offset?

All federal payments are subject to offset except:

- Payments exempted by statute (e.g. student loan payments, veterans' benefits)
- Payments exempted by the Secretary of the Treasury

Exemptions apply to classes of payments, not to classes of debtors or to individual payees. A list of exempt payment types is available here:

<https://www.fiscal.treasury.gov/fsservices/gov/debtColl/pdf/dca/dmexmpt.pdf>

When will a payment to a state be offset to collect a delinquent debt?

In most cases, the creditor agency can send a debt to TOP if it is more than 60 days delinquent. The creditor agency must determine that the debt is valid and legally enforceable. The agency must send a notice about the debt to the last address it has on file and provide the debtor with the opportunity to resolve or dispute the debt. Once this has been done, your debt is eligible for offset.

What if the debt is owed by a different part of the state than the state agency receiving the payment?

The taxpayer identification number or "TIN" is used to identify the entities liable for a federal debt. Any payment to an entity using the same TIN as the debtor is eligible for offset or levy to collect the debt.

What should a state do if a payment is offset? (DISREGARD THIS Q&A ON THE WEBSITE)

States should contact the federal or state agency collecting the debt which is listed in the notice they receive. If no notice was received, the state should contact the TOP Call Center toll free at 1 (800) 304-3107 to obtain contact information.

NOTE: ALTHOUGH THE ABOVE QUESTION IS ON THE WEBSITE, THE US TREASURY WILL ONLY WORK WITH STATE EMPLOYEES THAT ARE REGISTERED WITH THE US TREASURY AS A POINT OF CONTACT FOR THE TREASURY OFFSET PROGRAM. IF A PAYMENT IS OFFSET, PLEASE CONTACT THE OFFICE OF ACCOUNTS AND CONTROL TO REPORT THE OFFSET.

The point of contact for offset payments is **Sandra Morgan**, Supervising Accountant, Office of Accounts and Control. Email Sandra.morgan@doa.ri.gov or call 222-6403.