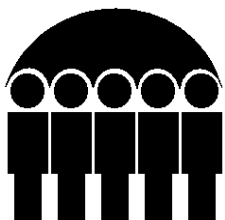


March 11, 2005

Employee's Manual  
Title 11  
Chapter J

# **FEDERAL OFFSETS AND PASSPORT SANCTIONS**



Iowa  
Department  
of  
Human Services

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	<u>Page</u>
OVERVIEW .....	1
Federal Tax Refund Offsets.....	2
Federal Administrative Non-Tax Offsets .....	2
Passport Sanctions .....	4
CASE SELECTION AND UPDATES.....	5
Criteria for Case Selection.....	6
Federal Tax and Administrative Offset Submittal Criteria.....	6
Administrative Offsets and Income Withholding.....	7
Calculation of PA and NPA Past-Due Support.....	8
Passport Sanction Criteria.....	9
ICAR Processing.....	9
Certification Errors .....	13
Federal Offset Process (OFFSET) Screen .....	14
Exempting an Obligor.....	21
Bankruptcy.....	23
Reconciliation of OCSE and ICAR Data.....	23
Ongoing Self-Correction.....	23
Reconciliation .....	24
Releasing a Passport Sanction .....	25
Automated Releases.....	26
Worker-Initiated Releases.....	26
Quick Releases.....	27
Emergency Releases .....	27
Passport Required for Continued Employment .....	28
PRE-OFFSET NOTICES.....	29

---

	<u>Page</u>
ADMINISTRATIVE REVIEWS.....	32
Informal Review .....	33
Review of the Passport Sanction .....	35
Intrastate (In-State) Administrative Reviews .....	35
Request for an Administrative Review .....	36
Scheduling the Administrative Review .....	37
Conducting the Administrative Review.....	38
Submission Upheld.....	38
Submission Incorrect .....	38
Notifying the Obligor of the Decision for Federal Offset.....	39
Notifying the Obligor of the Decision on a Passport Sanction.....	39
Notifying the Obligor of the Decision on a Balance of \$5,000.00 or More .....	40
Interstate Administrative Reviews.....	40
Interstate Administrative Reviews Transferred to Another State .....	40
Interstate Administrative Reviews Transferred to Iowa .....	42
OFFSET OF A FEDERAL PAYMENT.....	44
Priority of Claims.....	44
Notices at the Time of Offset.....	44
Federal Offset Notice.....	44
Notice of Appeal Rights for Federal Offsets .....	45
Division of a Joint Federal Income Tax Refund.....	47
Distributing Federal Tax Offsets to Past-Due Support.....	48
Entire Offset Allocates to Certified Past-Due Support.....	49
Federal Offset Hold Periods.....	51
PA Accounts .....	52
NPA Accounts .....	52

---

	<u>Page</u>
ICAR Cannot Automatically Allocate All or a Portion of an Offset.....	53
Offset Exceeds the Total of Past-due Support Certified.....	54
Offset Received on a Case Paid in Full .....	54
Offset Received on a Case with No Past-Due Support.....	55
Offset Received on an Inactive Case .....	56
Offset Received on a Closed Case.....	56
Offset Received on a Redirected Case.....	57
Offset Received on a Case with Missing Information.....	57
Offset Received During a Bankruptcy.....	58
Balances Are Now 14, 15, 16, 17, 19, 44, 45, 46, 47, or 49.....	58
Account Type Should Be 10, 11, 12, 13, 18, 40, 41, 42, 43, or 48 .....	59
Working a Federal Offset Over-Collection .....	59
Adjustments to Federal Offset Receipts .....	61
Adjustments to PA Offset Allocations.....	62
Adjustments to NPA Offset Allocations.....	62
Sending FED Refund Reports to the IRS .....	64
<b>APPEALS .....</b>	<b>65</b>
Worker Responsibilities.....	66
Case Documentation .....	67
Pre-Hearing Conference .....	68
Hearing.....	68
Reviewing the Proposed Decision .....	69
Implementing the Hearing Decision .....	70
Hearing Results on Federal Offset.....	70
Hearing Results on Passport Sanction .....	71
Obligor Continues to Contest Final Appeal Decision .....	71
<b>NARRATIVES .....</b>	<b>72</b>
<b>CALENDAR FLAGS .....</b>	<b>89</b>
<b>STATUSES.....</b>	<b>93</b>

## **OVERVIEW**

**Legal reference:** 45 CFR 303.72  
Federal Debt Collection Improvement Act, PL 104-134  
Iowa Code sections 252B.3, 252B.4, 252B.5, 252F.4  
441 IAC 95.7(8), 7.8(17A)

The federal government assists the Child Support Recovery Unit in enforcing support obligations. This chapter covers the following federal enforcement tools:

- ◆ [Federal tax refund offsets \(federal tax offsets\).](#)
- ◆ [Federal administrative non-tax offsets \(federal administrative offsets\).](#)
- ◆ [Passport sanctions.](#)

The Special Collections Unit of the federal Office of Child Support Enforcement (OCSE) acts as an intermediary between the Unit and other federal agencies for these enforcement tools. These federal agencies include:

- ◆ U.S. Department of the Treasury's Internal Revenue Service (IRS).
- ◆ U.S. Department of the Treasury's Financial Management Service (FMS).
- ◆ U.S. Department of State.
- ◆ Any other federal department or agency that issues payments.

The Unit and the Unit's federal offset liaison do not directly interact with the IRS or FMS to offset federal tax refunds and other federal payments. Instead, the Unit exchanges information with OCSE. OCSE combines the information on qualifying obligors from the states and jurisdictions and submits that information to FMS.

FMS compares this information to tax refunds processed by the IRS and to other federal payments. When a match occurs, FMS forwards the information and payments to OCSE, where the information and payments are sorted and returned to the appropriate state or jurisdiction.

The Unit and the federal offset liaison do not have access to most details of the tax return, except as indicated in this chapter. The IRS considers all tax return information confidential.

The Unit and the Unit's passport sanction liaison also do not directly interact with the State Department to sanction or release a passport. Instead, the Unit exchanges information with OCSE. OCSE combines the information from all states and jurisdictions and submits that information to the State Department.

The State Department implements the passport sanctions. The State Department does not notify the Unit or the passport sanction liaison when a passport is sanctioned, as it considers this action confidential.

Most information exchanges between the Unit and OCSE occur via a secure electronic means called Connect:Direct. Funds move between OCSE and the Unit by electronic funds transfer on a biweekly schedule. All other contacts between OCSE and the Unit must be routed through the federal offset liaison and the passport sanction liaison.

### **Federal Tax Refund Offsets**

A federal tax offset occurs when an individual's federal tax refund is redirected to pay a debt or claim. All or part of the payment may be directed to the payment of a child support debt. If there is a joint return, the obligor may request a division of the return. See [Division of a Joint Federal Income Tax Return](#).

### **Federal Administrative Non-Tax Offsets**

A federal administrative offset occurs when federal non-tax funds owed to an individual or sole proprietor are redirected to the payment of a debt or claim. All or part of the payment may be directed to the payment of a child support debt.

The term "non-tax" refers to any payment not covered by the Internal Revenue Code of 1986. Examples of federal non-tax payments that may be administratively offset by the federal government include:

- ◆ Payments made for property rented by the federal government.
- ◆ Contracts to wash windows of government facilities.
- ◆ Payments for consulting or training services.
- ◆ Tort claims and legal settlement claims.
- ◆ Reimbursement for travel or loss.
- ◆ Disaster housing payments.
- ◆ Grants or fellowships.
- ◆ Farm payments.
- ◆ Garnishments.
- ◆ Imprest funds (an advance or loan of government funds for service to the government).

The federal government exempts specific categories of payments from federal administrative offset. These categories include, but are not limited to:

- ◆ Federal tax refunds (withheld through the federal tax offset process).
- ◆ Student loan disbursements.
- ◆ Veteran's Administration benefits.
- ◆ Federal means-tested program benefits (benefits which are based on the income level of the recipient).
- ◆ Supplemental Security Income benefits (Title XVI).
- ◆ Certain Black Lung Benefits Act benefits.
- ◆ Most Railroad Retirement benefits.

This list is not comprehensive. Refer questions regarding payments not on this list to the federal offset liaison.

OCSE classifies non-tax payments into three categories:

- ◆ **Salary payments:** Wages and salaries paid to employees of the federal government (currently not matched by FMS).
- ◆ **Retirement payments:** Payments issued as part of federal pension programs that are not exempt from offset.
- ◆ **Vendor payments:** Payments to any individual, sole proprietor, partnership, or corporation providing goods or services to a federal agency.

**Note:** OCSE does not provide a method for the Unit to choose which individual payments to offset. To prevent a specific type of payment from being offset, only authorized workers may exempt an individual from all administrative offsets. See [Exempting an Obligor](#) for more information.

## **Passport Sanctions**

The State Department may deny an application for a new U.S. passport or, in certain situations, revoke a previously issued passport when an obligor's combined past-due support amounts are \$5,000.00 or more. This enforcement tool is referred to as "passport sanction."

At the time of the passport application, the State Department issues the *Passport Denial Letter* to the individual denied a passport. The form includes a list of the state child support agency phone numbers, addresses, and e-mail addresses (if available). For the Unit, the *Passport Denial Letter* provides the following information:

- ◆ Address: 400 SW 8<sup>TH</sup> ST, STE M, DES MOINES, IA 50309-4691
- ◆ Phone Number: 1-888-229-9223

A passport sanction is most effective when the State Department issues an initial passport or renews an existing passport. At those points, implementation is practical because the State Department is able to deny the application.

However, the State Department may also revoke a previously issued passport (seize a valid passport) when an obligor provides the passport to a State Department, U.S. embassy, or U.S. consulate official. This may occur when the obligor is:

- ◆ Renewing an existing passport.
- ◆ Adding pages to an existing passport.
- ◆ Repairing or reissuing a damaged passport.
- ◆ Changing the name or photograph on the passport.
- ◆ Supplying the passport as proof of identification when applying for a passport for a child.

In these situations, the official may identify the passport as sanctioned and not return the passport to the obligor, even if the obligor is outside the United States.

**Note:** The State Department currently does not limit or restrict how a passport is used. However, restricting or limiting a previously issued passport may be used in the future.



If an obligor outside the U.S. is left without a passport due to a passport sanction, the State Department may issue a temporary travel document. This travel document allows the obligor only to return directly and immediately to the United States.

The Unit can bypass an obligor for passport sanction. However, you must remember the limited opportunities to implement a passport sanction when you consider a bypass of this enforcement tool for an obligor. Since passports are issued for up to ten years, a passport sanction opportunity missed due to a bypass may not be an effective tool for ten years.

While a passport sanction does not directly prevent an obligor from obtaining a travel visa, a passport sanction may limit an obligor's ability to obtain travel visas issued by the U.S. government. The U.S. government does not issue a travel visa to a person without a valid passport.

Obligors with previously issued passports or passports from other countries may still obtain a travel visa. Additionally, a U.S. passport sanction does not always prevent a foreign government from issuing a travel visa.

## **CASE SELECTION AND UPDATES**

**Legal reference:** 45 CFR 303.72  
441 IAC 95.7(1), 96.9(1)  
Iowa Code section 252B.5(4)

Two times per month, an ICAR batch program selects obligors for referral to OCSE for federal tax offset, federal administrative offset, and passport sanction. Obligors submitted to OCSE for federal offsets and passport sanctions are often referred to as "certified" for these enforcement tools. Obligors withdrawn from OCSE may be described as being "decertified."

The following sections address:

- ◆ [Criteria for case selection](#)
- ◆ [ICAR processing](#)
- ◆ [The Federal Offset Process \(OFFSET\) screen](#)
- ◆ [Bankruptcy](#)
- ◆ [Reconciliation of OCSE and ICAR data](#)
- ◆ [Releasing a passport sanction](#)

## Criteria for Case Selection

For a case to be certified for federal tax offsets, federal administrative offsets, or passport sanction, the case must meet the following conditions:

- ◆ The case must be active. (ICAR displays an “A” in the STATUS field on the CASE screen.)
- ◆ The case must not be redirected to the clerk of court. (ICAR displays an “N” in the REDIRECTION field on the CASE screen.)
- ◆ The case must contain a social security number for the obligor.
- ◆ The obligor must not currently be involved in Chapter 7, 11, or 13 bankruptcy proceedings. See [Bankruptcy](#).
- ◆ The Unit must have taken at least one action to collect the past-due support within the twelve months before certification for offset and passport sanction.

**Note:** If an obligor has multiple cases, each case must individually meet these criteria to be considered for these enforcement tools.

Once a case meets these general criteria, ICAR evaluates the amount of past-due support.

### Federal Tax and Administrative Offset Submittal Criteria

In addition to the general case criteria, an obligor must also meet specific criteria for federal tax and administrative offsets. The submittal criteria for PA past-due support and NPA past-due support are different:

- ◆ **PA Past-Due Support:** To qualify for federal offsets, the obligor’s total PA past-due support amount must be \$150.00 or greater. The Unit calculates this total by combining the PA past-due support from individual cases that meet the general case criteria and have \$50.00 or more of PA past-due support per case.
- ◆ **NPA Past-Due Support:** To qualify for federal offsets, a case with an NPA past-due support amount must have:
  - A total past-due support of \$500.00 or greater. The Unit calculates this total by combining the NPA past-due support from individual cases that meet the general case criteria and have \$50 or more of PA past-due support per case.

- A verified obligee's address. For the purposes of federal offsets, ICAR identifies a case as having a valid address if one of the following is true:
  - The case contains a verified address for the obligee displayed on the PAYEE screen; or
  - The case contains an active electronic funds transfer payment process as shown on the VPAYEEFT screen. Refer to the distribution process for more information.
- At least one minor child.
- An obligee-filed form 470-0188, *Application for Nonassistance Support Services*. See [9-H-Appendix](#). The following cases, for which there may be no application, are exempt from this requirement:
  - Continued services
  - Account type 17 with at least one child in account-type 10 (foster care)
  - Account type 18 (Medicaid-only)

### **Administrative Offsets and Income Withholding**

When ICAR finds an active income withholding order attached to an employer, it automatically bypasses the case for administrative offset of federal salaries (SAL) and retirement benefit (RET) payments. The remaining payment type, vendor payments (VEN), may be administratively offset.

The Unit bypasses payment subtypes SAL and RET because using an income withholding order and an administrative offset may mean that the Unit takes more money than allowed by the Consumer Credit Protection Act limits. ICAR issues a narrative (FED 84) to document that the obligor was bypassed due to the income withholding order.

When you are aware that the federal government employs an obligor, or the obligor receives federal retirement payments, check the obligor's cases for an income withholding order. If you do not find an income withholding order, take the necessary actions to start the income withholding process.

The federal administrative offset processing cost is significantly more than the cost of an income withholding order. Additionally, the obligee typically receives an income withholding order payment faster than money from an administrative offset. Refer to the income withholding process for further details.

When an employer is detached from the income withholding order, the obligor is no longer bypassed for offsets of salary and retirement payments. ICAR issues a narrative (FED 85) to document that the obligor is no longer bypassed.

### **Calculation of PA and NPA Past-Due Support**

For the purposes of submitting an individual for federal offsets, past-due support amounts are divided by account type as follows:

- ◆ PA account types: 11, 13, 41, 43, and 48.
- ◆ NPA account types: 10, 12, 18, 40, and 42.

When calculating past-due support, ICAR includes the following:

- ◆ Child support (CS) obligations.
- ◆ Medical support (MS) obligations.
- ◆ The entire unpaid amount of any reimbursement (RE) and medical reimbursement (MR) court-ordered judgments.
- ◆ Alimony (CA) obligations only when there is an accompanying past-due CS amount.

ICAR collects, totals, and submits an obligor's qualifying PA past-due support to OCSE separate from an obligor's NPA past-due support. If an obligor has multiple cases, ICAR combines each case's qualifying past-due support totals to create a single PA past-due support total and a single NPA past-due support total for each obligor.

**Note:** Because the initiating state has the option of submitting an obligor for federal offsets and passport sanctions, ICAR does not include past-due support from the interstate account types of 14, 15, 16, 19, 44, 45, 46, and 49.

### **Passport Sanction Criteria**

**Legal reference:** Iowa Code 252B.5(11)

If the total of all the obligor's qualifying PA and NPA overdue support is more than \$5,000.00, the U.S. Secretary of State currently may deny the issuance of a U.S. passport.

When submitting an obligor to OCSE for federal offset, ICAR also provides information about whether the obligor qualifies for passport sanction. To do this, ICAR tracks the obligor's total PA and NPA overdue support owed and provides OCSE with an internal passport sanction bypass indicator when the past-due support is less than \$5,000.00.

With each run of the federal offset selection program, ICAR reviews the total amount of support due. When the amount is \$5,000.00 or more, ICAR submits the obligor for passport sanction. When the amount is below \$5,000.00, ICAR lifts the passport sanction by transmitting the internal bypass indicator to OCSE.

Unlike past-due support for federal offsets, overdue support for passport sanction does not include the amount the obligor has yet to pay under the payment plan of the RE or MR obligation.

If the obligor made all required payments under the payment plan and the amount due is \$5,000.00 or more only because of the amount of the total RE or MR obligation, you may release the passport sanction. See [Releasing a Passport Sanction](#).

If the obligor failed to follow the payment plan for the RE or MR obligation, any missed payments may be considered overdue support and counted towards the \$5,000.00 passport sanction threshold.

### **ICAR Processing**

Each month, ICAR selects cases for federal tax offsets, federal administrative offsets, and passport sanctions. This selection typically occurs during the weekends that follow the second and fourth Fridays of the month. ICAR creates a computer file to electronically transmit federal offset and passport sanction information to OCSE and updates the OFFSET screen.

On Monday evenings, OCSE processes all information submitted by states during the previous seven days. Information processed at OCSE on Monday is in effect at FMS on Friday of the same week.

To ensure the obligor has adequate time to challenge a new submission for federal offsets, FMS does not offset an obligor's payments within the first 30 days of the date on the initial pre-offset notice. See [PRE-OFFSET NOTICES](#).

Two events may delay the processing of files transmitted to OCSE:

- ◆ **Federal holidays:** If the processing day falls on a federal holiday, OCSE or FMS may not process the files until the next business day.
- ◆ **Reconciliation (freeze) periods:** OCSE does not process files during its annual freeze period. During the freeze period, OCSE compares its offset information to the information on file at FMS to correct any discrepancies. During this same period, the Unit conducts a similar comparison with OCSE to ensure accuracy.

These periods vary each year but typically occur between October and early December. Files submitted to OCSE during this period are not processed or forwarded to FMS until the end of the freeze period. The Unit may adjust the federal offset selection program files during these months to prevent duplication at OCSE. The federal offset liaison notifies workers by e-mail of any changes in the run dates. See [Reconciliation](#).

ICAR takes these actions in evaluating and processing cases:

- ◆ ICAR begins the selection process by evaluating each case using the general case criteria. See [Criteria for Case Selection](#).
- ◆ ICAR also evaluates each case's PA and NPA past-due support to ensure the case meets the previously listed past-due support criteria. See [Calculation of PA and NPA Past-Due Support](#).
- ◆ For each obligor's social security number, ICAR collects the total amount owed on each case to create a single PA amount and a single NPA amount.
- ◆ ICAR displays the PA and the NPA amounts on the lower portion of the OFFSET screen. See [Federal Offset Process \(OFFSET\) Screen](#).

- ◆ ICAR records the certification for federal offsets and passport sanction using narratives. On each case certified, ICAR issues a narrative (FED63) to document the PA and NPA past-due support amounts and the qualifying federal enforcement tools.
- ◆ If an obligor reduces a case's PA or NPA past-due support to less than \$50.00, ICAR decertifies that case for that certification type (PA, NPA, or both). ICAR issues a narrative (FED64) to the case to record the obligor's decertification.
- ◆ If an obligor reduces the total PA past-due support to less than \$150.00, ICAR decertifies that obligor for PA federal offsets. ICAR issues a narrative (FED64) to each case to record the obligor's decertification when none of the case's past-due support qualifies for federal offsets and passport sanctions.
- ◆ If an obligor reduces the total NPA past-due support to less than \$500.00, ICAR decertifies that obligor for NPA federal offsets. ICAR issues a narrative (FED64) to each case to record the obligor's decertification when none of the case's past-due support qualifies for federal offsets and passport sanctions.

1. **PA federal offsets:** Obligor A owes a total of \$165.00 on the 11 and 13 accounts at the end of March. The case meets all other selection criteria.  
  
Result: ICAR certifies obligor A for federal offsets in April, since the obligor's PA past-due support exceeds \$150.00.
2. **NPA federal offsets:** Obligor C owes \$2,500.00 on an 18 account at the end of May and meets all other selection criteria.  
  
Result: Obligor Cs NPA past-due support qualifies for federal offsets. ICAR processes obligor C's case for submittal in June.
3. **NPA federal offsets:** Obligor D owes \$125.00 on a 12 account and \$400.00 on an 18 account on one case at the end of September.  
  
Result: Since the total NPA past-due support is \$525.00, obligor Ds NPA past-due support qualifies for federal offset. ICAR processes obligor D's case for submittal in October.
4. **NPA federal offsets:** Obligor E owes \$100.00 on a 12 account and \$225.00 on an 18 account on one case at the end of June.  
  
Result: Since the total NPA past-due support is only \$325.00, this case does not qualify for federal offset.

5. **NPA federal offsets and passport sanction:** Obligor F owes \$5,312.35 on an 18 account at the end of August and meets all other selection criteria.

Result: Obligor F's NPA past-due support qualifies for federal offset and for passport sanction. ICAR processes obligor F's case for submittal in September.

6. **Combination of PA and NPA federal offsets and passport sanction:** Obligor G owes \$3,225.50 on an 11 account. Obligor G owes \$2,500.00 on an 18 account at the end of April. Obligor G's total past-due support is \$5,725.50.

Result: Since the PA past-due support is currently over \$150.00, the NPA past-due support is over \$500.00, and the total overdue support is greater than \$5,000.00, obligor G qualifies for federal offset and for passport sanction. ICAR processes the case for submittal in May.

7. **Combination of PA and NPA federal offsets:** Obligor H owes \$625.00 on a 13 account. Obligor H also owes \$540.00 on a 12 account at the end of June, for a total delinquency of \$1,165.00.

Result: Since the PA past-due support is over \$150.00, the NPA past-due support is over \$500.00, and the total overdue support is less than \$5,000.00, obligor H qualifies for federal offset but not passport sanction. ICAR processes the case for submittal in July.

8. **Combination of PA and NPA federal offsets (case and obligor criteria):** Obligor J has four cases, each with past-due support:

- Case A has \$20 of PA past-due support and \$400 of NPA past due support.
- Case B has \$55 PA past-due support and \$20 of NPA past due support.
- Case C has \$75 PA past-due support and \$75 of NPA past due support.
- Case D has \$100 PA past-due support and \$50 of NPA past due support.

Result: While the separate PA and NPA past-due support amounts on each case do not qualify for federal offsets individually, obligor J still does qualify for federal offsets.

Case A would not be included for PA offsets because it does not have at least \$50.00 of PA past-due support. Case B would not be included for NPA offsets because it does not have at least \$50.00 of NPA past-due support. However, each of the remaining PA and NPA past-due support amounts is over \$50. ICAR adds the qualifying amounts together:.

- PA past-due support:  $\$55 + \$75 + \$100 = \$230$
- NPA past-due support:  $\$400 + \$75 + \$50 = \$525$

Since obligor J's total PA past-due support is over \$150.00, total NPA past-due support is over \$500.00, and combined total overdue support is less than \$5,000.00, obligor J qualifies for federal offset but not passport sanction.



### **Certification Errors**

Certification errors occur when ICAR transmits information to OCSE that OCSE or FMS cannot process. When a certification error occurs, OCSE returns an error message to ICAR. If ICAR is able to automatically resolve the error, ICAR takes the needed actions to correct the situation. See [Ongoing Self-Correction](#). If ICAR cannot resolve the error, ICAR displays an “E” in the ERROR field on the OFFSET screen.

The “E” entry indicates that the case was not certified for federal tax offset, federal administrative offset, or passport sanction. ICAR issues a calendar flag (FED28) to alert the worker to review the case and a narrative (FED87) to document why OCSE or FMS could not process the information ICAR submitted.

Most of these errors relate to the obligor’s name or social security number. The error messages include the following:

- ◆ INVALID COMBINATION OF NAME AND SSN. The obligor’s social security number matches a different name on file with the federal government.
- ◆ SSN INVALID. The Social Security Administration did not issue this social security number, and the number is outside the valid ranges.
- ◆ SSN NOT ON MASTER FILE. The social security number is within the valid ranges for a social security number; however, it is not on file with OCSE, possibly due to a previous rejection by OCSE or the IRS.
- ◆ SSN NOT ON THE IRS TAXPAYER MASTER FILE. The IRS has no record of a tax filing under this social security number within recent years. The social security number may or may not be valid.
- ◆ SSN DID NOT VERIFY, CORRECTED SSN RECEIVED 000000000. The obligor’s social security number was not found in the IRS database; however, the Social Security Administration found a possible substitute social security number that ICAR displays in the calendar flag and narrative.

If you receive these calendar flags, review the related case information and make any necessary corrections. First, verify the obligors name and social security number using standard location sources. Then, modify the name or social security number as needed.

If you believe the social security number is correct, do not modify the social security number. Instead, set a calendar flag to review the case again in six to 12 months. Setting the calendar flag reminds you to reset the ERROR field on the case.

During the interim, the obligor may file taxes or earn wages. These actions add the social security number to the IRS's databases and may mean that the IRS will accept the social security number despite previous rejections.

Once you have an alternate social security number, or during a periodic review, you must manually change the entry in the OFFSET screen's ERROR field from "E" to "Y." The selection program then re-evaluates the case during the next run and changes the "Y" to "N" to show that it processed the case. ICAR may resubmit the qualifying past-due support for offsets and passport sanctions.

### **Federal Offset Process (OFFSET) Screen**

ICAR displays information about federal tax offsets, federal administrative offsets, and passport sanctions on the OFFSET screen. ICAR transmits information displayed on this screen to OCSE when the federal offset selection program runs. See [ICAR Processing](#).

ICAR displays information about the obligor and any administrative reviews or appeals on the upper part of the OFFSET screen and an abridged certification history for the obligor on the lower part. When ICAR certifies an obligor's cumulative PA past-due support or cumulative NPA past-due support, ICAR displays the selected case numbers and total amount certified on the lower portion of the screen on all cases affected.

**Note:** Because the ICAR batch programs for federal offsets and passport sanction run twice monthly, changes made to fields on the OFFSET screen take effect only after the next batch program runs.

Use this screen to track the federal tax offset, federal administrative offset, and passport sanction process. On the OFFSET screen, you can:

- ◆ View recent submissions.
- ◆ Track the most recent review and appeal actions, including recording the final decision of an administrative review or appeal hearing.

- ◆ Bypass one or more of the following actions:
  - Federal tax offset.
  - Federal administrative offset.
  - Passport sanction.
- ◆ Decertify an obligor who should not be certified.
- ◆ Resubmit an obligor whose information was rejected by OCSE or FMS.

To access this screen, type **OFFSET** at the **NEXT SCREEN** field on any **ICAR** screen in **ICAR**.

D479HR39	IOWA COLLECTION AND REPORTING SYSTEM FEDERAL OFFSET PROCESSING				DATE: 01/01/05 TIME:
CASE NUMBER:	ERROR:	BYPASS(T/A/P):		SSN:	ALIAS: 00
PAYOR.....:		TRANSFER:		APPEAL NOTICE	00 00 0000
CC AP ATTY(Y/N):	IWO(Y/N):	CONF REQ(Y/N):		OUTCOME(S/D):	
REVIEW REQ(T/A/P):		HEARING:		00	
APPEAL REQ(T/A/P):		PA CERTIFIED		\$0	
		NPA CERTIFIED		\$0	PASS/SANC:
CERTIFIED	CASES		AMT	CERTIFIED	TYPE
=====	=====		=====	=====	=====
00/00/0000	0000000 0000000 0000000 0000000 0000000 0000000		\$	0000000	A
	0000000 0000000 0000000 0000000 0000000 0000000				
00/00/0000	0000000 0000000 0000000 0000000 0000000 0000000		\$	0000000	N
	0000000 0000000 0000000 0000000 0000000 0000000				
00/00/0000	0000000 0000000 0000000 0000000 0000000 0000000		\$	0000000	A
	0000000 0000000 0000000 0000000 0000000 0000000				
00/00/0000	0000000 0000000 0000000 0000000 0000000 0000000		\$	0000000	N
	0000000 0000000 0000000 0000000 0000000 0000000				
PF1=HELP, PF3=UPDATE, PF5=INQUIRY, PF7=PAGE BACK, PF8=PAGE FORWARD					
NEXT SCREEN: NOTES:					
PLEASE ENTER CASE NUMBER AND PRESS PF5					

Fields, descriptions, and values on the **OFFSET** screen are:

- ◆ **CASE NUMBER:** Enter the seven-digit case number for one of the obligor's cases and press the PF5 key. ICAR displays the federal offset information for all cases associated with the obligor's social security number.
- ◆ **ERROR:** ICAR displays the error status of any submissions to OCSE. Both ICAR and you make entries in this field. For more information on the use of this field, see [Certification Errors](#). Valid entries for this field include:

- Blank A blank indicates the case has not received any error messages. This field may be blank when no submission to OCSE has erred or if ICAR never submitted the case to OCSE.
- E ICAR enters this code to indicate an unsuccessful attempt to submit an obligor to OCSE or to update information on file at OCSE.
- Y You enter this code to indicate you reviewed the obligors information and made any necessary corrections. ICAR resubmits the obligor to OCSE during the next month's processing, if the obligor still qualifies at that time. You may only enter a "Y" if the ERROR field previously displayed an "E."
- N ICAR enters this code to indicate it resubmitted an obligor for federal offsets and or passport sanctions.

- ◆ **BYPASS (T/A/P):** ICAR restricts access to these fields to authorized workers with field-level security group 22, Federal Offset Adjustments. An authorized worker enters information to exempt an obligor from one or more enforcement methods. Use these entries with caution. See [Exempting an Obligor](#). ICAR accepts up to three entries at any one time. Valid entries for this field include:

- Blank A blank is the default and means that an obligor is not manually exempted from federal offsets or passport sanctions.
- T For an obligor eligible for federal offsets, ICAR notifies OCSE not to offset the obligor's federal tax refunds. The obligor remains on file with OCSE and FMS.
- A For an obligor eligible for federal offsets, ICAR notifies OCSE not to offset the obligor's federal non-tax payments. The obligor remains on file with OCSE and FMS.
- P For an obligor eligible for passport sanctions, ICAR notifies OCSE to not submit the obligor to the State Department for passport sanctions. The obligor remains on file with OCSE.

**Note:** Entries in this field do not take effect immediately. See [ICAR Processing](#). If you enter all three bypass codes in this field, ICAR decertifies the obligor during the next run of the selection program. ICAR does not re-submit an obligor for federal offsets or passport sanctions unless you remove at least one entry.

If less than three entries display, ICAR may still submit the obligor for the remaining enforcement methods. OCSE sends a pre-offset notice to each person submitted for any of the three enforcement methods.

- ◆ **PAYOR:** ICAR displays the first and last name of the obligor.
- ◆ **SSN:** ICAR displays the social security number used when it submitted the obligor for federal offsets and passport sanctions. ICAR displays the social security number in the 000-00-0000 format.
- ◆ **ALIAS:** ICAR displays a two-digit number indicating the number of additional names on file at OCSE for the social security number displayed in the SSN field. The count increases by one each time ICAR submits a new name for that social security number. ICAR issues a narrative (FED109) to document the name change. The narrative includes both the new name and the first four characters of the previous last name.

Changing an obligor's name is not enough to prompt ICAR to notify OCSE of the name change. ICAR checks for a new name only when you or ICAR:

- Add a new past-due support amount.
- Modify an existing past-due support amount.
- Add a new case to the set previously submitted for the social security number.
- Delete a case from the set previously submitted for the social security number.
- Change the case's worker ID.
- Exempt the obligor from federal offsets or passport sanctions.

**Note:** For federal offsets, FMS may use the current name or any of the previous names submitted by ICAR. The State Department uses only the most recent name submitted by ICAR for passport sanction matches.

- ◆ **CC AP ATTY (Y/N):** ICAR does not allow entries in this field at this time.
- ◆ **IWO (Y/N):** ICAR enters a "Y" or an "N" to indicate whether it found an active income withholding order attached to an employer for the obligor during the most recent federal offset selection program run. See [Administrative Offsets and Income Withholding](#). Valid entries for this field include:

Blank ICAR did not find an active income withholding order attached to an employer for this obligor.

Y ICAR found an active income withholding order attached to an employer. The obligor is bypassed for two types of federal administrative offsets: salary and retirement offsets.

N There is no longer an active income withholding order attached to an employer for this obligor. The obligor is no longer bypassed for offsets of salary and retirement payments.

- ◆ **TRANSFER:** Enter the valid two-letter postal abbreviation for the responding state or the state with continuing exclusive jurisdiction. Use this field to transfer the administrative review of a case to another jurisdiction for an interstate administrative review.

When you add the abbreviation for the responding state or state with continuing exclusive jurisdiction, ICAR displays the Interstate (INTERSTA) screen. See [Interstate Administrative Reviews](#).

- ◆ **REVIEW REQ (T/A/P):** Enter any combination of “T,” “A,” or “P” and the date you receive the administrative review request in the MM/DD/CCYY format.
- ◆ **APPEAL NOTICE:** You or ICAR makes this entry. Following your entries, ICAR displays the date it last generated form 470-3684, *Appeal Rights for Federal Offsets*. See [Notice of Appeal Rights for Federal Offsets](#). Valid entries include:
  - Blank *Appeal Rights for Federal Offsets* has not been sent.
  - Y ICAR generated the *Appeal Rights for Federal Offsets* due to the posting of a federal offset to one or more of the obligor’s cases. To generate the form, you may also enter a “Y” in this field if it is blank.
  - R Enter this code to generate an additional copy of the *Appeal Rights for Federal Offsets*. ICAR allows an “R” entry only when the field previously displayed a “Y.” If you return to the OFFSET screen later, ICAR displays a “Y” instead of “R.” See [Notice of Appeal Rights for Federal Offset](#).
- ◆ **APPEAL REQ (T/A/P):** Enter any combination of “T,” “A,” or “P” and the date you received the appeal request, in the MM/DD/CCYY format. Complete this field when you learn the obligor is dissatisfied with the results of an informal review and would like to take the next step in the appeal process. See [APPEALS](#).
  - Enter “T” and “A” to indicate an appeal is in process for federal tax offset and federal administrative offset when the total amount submitted totals less than \$5,000.00. These entries indicate that the appeal is limited to federal tax and administrative offsets.
  - Enter “T,” “A,” and “P” to indicate an appeal is in process for federal tax offset, federal administrative offset, and passport sanction when the total amount submitted is \$5,000.00 or greater.

- ◆ **CONF REQ (Y/N):** Record whether the obligor requests a pre-hearing conference before an appeal hearing. ICAR requires an entry in this field when you make an entry in the APPEAL REQ (T/A/P) or OUTCOME (S/D) fields. Valid entries for this field include:
  - Blank This is the default entry for the field.
  - Y The obligor requested a pre-hearing conference.
  - N The obligor did not request a pre-hearing conference.
- ◆ **HEARING:** Record the date and time of the obligor's upcoming or most recent appeal hearing. Enter the date in the MM/DD/CCYY format and the time in the HH:MM format. ICAR does not allow an entry in this field unless there are entries in the APPEAL REQ (T/A/P) or REVIEW REQ (T/A/P) field.
- ◆ **OUTCOME (S/D):** Enter the result of the administrative review or appeal hearing to document the final decision about an obligor's administrative review or appeal. ICAR restricts access to this field to authorized users with field-level security group 22, Federal Offset Adjustments. Valid entries for this field include:
  - S Stands. The result of the review or appeal indicates ICAR certified the correct amount.
  - D Delete. The result of the review or appeal indicates ICAR should not have certified this obligor. Upon the next run of the federal offset selection program, ICAR sends a request to OCSE to decertify the obligor.

**Note:** This field is for temporary use only. Once you correct ICAR and after the next batch submittal to OCSE, you must remove the entry from this field. Set a reminder calendar flag to do this.
- ◆ **PA CERTIFIED:** ICAR displays the current amount of PA support certified for federal offsets and passport sanctions.
- ◆ **NPA CERTIFIED:** ICAR displays the current amount of NPA support certified for federal offsets and passport sanctions.

- ◆ **PASS/SANC:** ICAR displays the status of the passport sanction, using one of the following entries:
  - Y Yes. ICAR certified the obligor for passport sanctions as of the last time ICAR submitted information to OCSE.
  - N No. ICAR did not certify the obligor for passport sanctions as of the last time ICAR submitted information to OCSE.
  - R Review the Narratives. The status of the passport sanction may change after ICAR's next submission to the federal government due to the addition or the removal of a "P" from the BYPASS (T/A/P) field.

**Note:** Updates submitted by ICAR to the federal government may take up to ten days to become effective. Typically, the updates are effective by the next Friday following ICAR's submission.

ICAR displays select records for the obligor listed in the PAYOR field on the lower portion of the OFFSET screen. The records appear as a chart. All fields are display-only fields. Each record contains the following fields:

- ◆ **CERTIFIED:** ICAR displays the date it made the submission to OCSE.
- ◆ **CASES:** ICAR displays up to 12 cases selected for the PA or NPA amount certified.
- ◆ **AMT CERTIFIED:** ICAR displays the PA or NPA amount certified. When ICAR decertifies a PA or an NPA amount, ICAR displays blanks in this field.
- ◆ **TYPE:** ICAR displays one of the following past-due support types:
  - A PA past-due support
  - N NPA past-due support

If an obligor has both PA and NPA past-due support, ICAR displays these submissions as two separate lines.

ICAR reviews the information each quarter and discards all records except:

- ◆ The most recent three months' worth of PA records and three months' worth of NPA records.
- ◆ Any record to which a payment has applied.
- ◆ A minimum of one PA and one NPA certification record, if available, for each of the previous six years.



If the amount of PA or NPA support previously submitted to OCSE does not change, ICAR does not issue a new record. However, the obligor remains certified for federal offset or passport sanctions according to the amounts previously submitted.

On January 1 of each year, ICAR also copies the last PA and last NPA record from the previous year to the current year. ICAR displays the date as 01/01/CCYY with “CCYY” representing the new year.

The Unit keeps these certification records to allow ICAR to process payments and adjustments received from the federal government. Payments and adjustments for a tax year may occur up to six years later.

**Note:** Because ICAR clears unneeded records, you cannot assume that if a record does not display for a previous month, the obligor was not certified for offsets in the past. Instead, use the narratives to determine if ICAR certified or decertified the obligor for a specific period.

Function keys on the OFFSET screen are:

- |                     |   |
|---------------------|---|
| PF1=HELP            | Use the PF1 key to display the help text for a field or the screen.   |
| PF3=UPDATE          | Use the PF3 key to update the OFFS screen after making entries.   |
| PF5=<br>INQUIRY     | Use the PF5 key to display information for an obligor after entering a case number in the CASE field.                                   |
| PF7=PAGE<br>BACK    | Use the PF7 key to page to the previous records on the lower portion of the OFFSET screen. ICAR displays records from newest to oldest. |
| PF8=PAGE<br>FORWARD | Use the PF8 key to page to the next records on the lower portion of the OFFSET screen. ICAR displays records from newest to oldest.     |

### **Exempting an Obligor**

Sometimes it is necessary to exempt an obligor from certification to OCSE for federal offsets and passport sanctions. You can exempt an obligor from one, two, or all three enforcement methods.

Since limited use of this field is crucial, ICAR restricts update access to authorized workers. See 9-B-Appendix, [SECURITY CLASSES BY JOB TITLE/FUNCTION](#).

Entries in the BYPASS field are meant to be temporary, unless a court order prevents enforcement. Since most entries in the BYPASS field are temporary, you must regularly review and remove them as soon as possible. Use the BYPASS field entries only when there is a legal justification to do so. Valid reasons include the following:

- ◆ A court order prevents the use of offsets or passport sanctions.
- ◆ You are in process of reviewing and correcting a known balance problem.
- ◆ A case does not contain all court orders or payments. This situation may occur during the process of setting up a new ICAR case.

When you add one or more entries to the BYPASS field, ICAR issues:

- ◆ A Narrative (FED67) to document the federal enforcement tools bypassed. The narrative prompts you to enter an explanation for the BYPASS field entries.
- ◆ Calendar flags (FED17, FED18, and FED19) to prompt you to review the BYPASS field 90, 180, and 360 days later.

You must remove a BYPASS field entry as soon as the legal justification for exempting the obligor ends.

Although authorized workers may enter or remove the valid codes any time, ICAR transmits changes to OCSE only during the federal offset selection program runs. Therefore, your bypass entries will not take effect until the next time the selection program runs. See [ICAR Processing](#). If you need to update the information on file at OCSE more quickly than this, notify the federal offset liaison or the passport sanction liaison.

When you remove one or more entries from the BYPASS field, ICAR issues:

- ◆ A narrative (FED68) listing the federal enforcement tools that are again valid and prompting you to enter an explanation for the removal of the BYPASS field entries.
- ◆ A calendar flag (FED23) that removes any remaining calendar flags related to BYPASS field entries when you remove the final entry.

If you enter all three codes in this field, ICAR decertifies the obligor. That is, ICAR notifies OCSE to deactivate all information for the obligor. ICAR does not re-submit an obligor for federal offsets or passport sanctions unless you remove at least one entry from the field.

**Note:** If less than three entries display, ICAR may still submit the obligor for the remaining enforcement methods. OCSE sends a pre-offset notice for each obligor submitted for any of the three enforcement methods. Therefore, entering one or two BYPASS field entries does not prevent a pre-offset notice.

## **Bankruptcy**

Once the Unit becomes aware of a bankruptcy proceeding involving the obligor, take action to stop further federal offsets or passport sanctions. Make sure ICAR displays the following:

- ◆ “Y” in the BANKRUPTCY field on the PAYOR screen.
- ◆ “7,” “11,” or “13” in the CHAPTER field on the PAYOR screen.

Do not make entries in the BYPASS(T/A/P) field of the OFFSET screen to prevent offsets due to a bankruptcy. With the next submission of information to OCSE, these entries in the BANKRUPTCY and CHAPTER fields cause ICAR to decertify any previously certified obligor.

FMS may notify the federal tax offset liaison or the passport sanction liaison about an obligor’s bankruptcy. The liaison notifies the local office so you may document the bankruptcy circumstances as described above.

## **Reconciliation of OCSE and ICAR Data**

To ensure that offset information stored on the federal computer systems is as accurate as possible, ICAR includes two processes that allow for ongoing self-correction and reconciliation of data on ICAR and OCSE’s computer systems.

### **Ongoing Self-Correction**

In response to each file ICAR transmits to OCSE, OCSE sends back a file that contains a list of any transactions that OCSE or FMS were unable to process. These files arrive one to two weeks after ICAR submits a file. ICAR processes these files and takes the following actions to correct any problems:

- ◆ Decertifies cases on ICAR that OCSE no longer has on file and issues narrative (FED64) to document the decertification.

- ◆ Enters a “Y” in the ERROR field on the OFFSET screen. A case with a “Y” in the ERROR field is not eligible for federal offsets or passport sanctions.
- ◆ Narrates the receipt of an error code (FED87).
- ◆ Issues a calendar flag (FED28) to notify you to take corrective action.
- ◆ Resubmits the obligor to OCSE during the next run of the federal offset selection program if the obligor’s past-due support still qualifies. If ICAR resubmits an obligor, it issues a narrative (FED63). **Note:** ICAR does not resubmit the obligor if there is still a “Y” in the ERROR field.
- ◆ Submits name changes to OCSE if the name ICAR submitted does not match the information on file at OCSE and issues a narrative (FED109) documenting the new name submitted and the first four characters of the previously submitted last name.
- ◆ Submits return address information to OCSE when the worker assigned to the case changes.
- ◆ Corrects the social security number on file at OCSE when the obligor’s social security number changes on ICAR and issues a narrative (FED91) that the old social security number and balance were decertified.

### **Reconciliation**

During the fourth quarter of each calendar year, the Unit compares the federal offset and passport sanction information in ICAR to the information contained in OCSE’s computer systems. This mass-compare process is known as reconciliation.

To reconcile files with OCSE:

- ◆ The federal offset or passport sanction liaison requests a reconciliation file from OCSE. This file contains a summary of Iowa’s federal offset and passport sanction information on file at OCSE.
- ◆ OCSE transmits the file to ICAR by Connect:Direct.
- ◆ ICAR compares the reconciliation file to the federal offset and passport sanction information stored on ICAR.

- ◆ ICAR takes the following steps when it detects a mismatch:
  - For cases on file at OCSE but not submitted according to ICAR’s database, ICAR sends a request to decertify the case.
  - For cases on file on ICAR but not on file at OCSE, ICAR decertifies the cases on ICAR and issues a narrative (FED64) to document the decertification. During the next run of the federal offset selection program, ICAR re-evaluates the decertified cases and re-submits qualifying obligors. ICAR issues a narrative (FED63) to document the when ICAR resubmits a case.
  - For ICAR cases with an “E” in the ERROR field of the OFFSET screen, ICAR changes the “E” to a “Y” and removes any calendar flags associated with this field. During the next run of the federal offset selection program, ICAR re-evaluates these cases, re-submits qualifying obligors, and issues a narrative (FED63) to document the re-submission.
- ◆ The federal offset or passport sanction liaison notifies the Unit’s workers by e-mail when this process occurs.

### **Releasing a Passport Sanction**

**Legal reference:** Iowa Code 252B.5(11)(a)

The Unit releases the passport sanction of an obligor when one of the following is true:

- ◆ The obligor’s total overdue support on all the obligor’s cases falls below \$5,000.00.
- ◆ The obligor needs the passport to maintain current employment from which the Unit receives income-withholding payments.
- ◆ A life-or-death circumstance requires a passport for the obligor to travel. See [Emergency Releases](#).
- ◆ The obligor made all required payments under the RE payment plan and the amount of overdue support is over \$5,000.00 only because of the remaining amount of the RE or MR obligation. See [Releasing a Passport Sanction](#). If the obligor failed to follow the payment plan for the RE or MR obligation, any unpaid portion is considered overdue support and counts towards the \$5,000.00 passport sanction threshold.
- ◆ The Unit’s regional administrator approves the release as part of a negotiated settlement.

Often, the timing of the passport sanction release is crucial. An obligor may not be willing to pay additional funds to obtain release of a passport unless the passport can be obtained by a specified date. Other times, emergency circumstances or the employment needs of the obligor determine the date for the release. Therefore, you must consider the timing needed when considering the method used to release the passport sanction.

### **Automated Releases**

If the obligor does not need the passport by a specific time, allow ICAR to process any passport sanction releases when the selection program runs. On the weekends following the second and fourth Fridays of the month, the federal offset selection program reviews all active cases. The program considers all coupons due and payments credited through the end of the previous month.

If the obligor's cumulative overdue support submitted for federal offset falls below \$5,000.00, ICAR automatically notifies OCSE to release the passport sanction. Do not make manual entries in the BYPASS field on the OFFSET screen in these situations, as they prevent effective enforcement if the overdue support again rises above \$5,000.00.

To determine if a passport sanction is currently in effect for an obligor, review the PASS/SANC field on the OFFSET screen.

**Note:** Do not make entries in the BYPASS field just because the obligor owes less than \$5,000.00. ICAR automatically notifies OCSE to lift the passport sanction when the selection program calculates an amount less than \$5,000.00. The exception to this is when the obligor needs the passport sooner than ICAR normally submits updates. See [Worker-Initiated Releases](#) and [Quick Releases](#) for how to proceed in these situations.

### **Worker-Initiated Releases**

If an obligor's overdue support is not below \$5,000.00 but you need to release the passport sanction, enter a "P" in the BYPASS (T/A/P) field on the OFFSET screen. On the weekends following the second and fourth Fridays, the federal offset selection program reviews all active cases and notifies OCSE to release passport sanctions for cases that contain this entry.

### **Quick Releases**

If the obligor needs a passport by a specific date, send a request for a quick release of the passport sanction to the passport sanction liaison. Narrate the reason for the request using the “FED” process code. Route requests through your lead worker or supervisor.

The passport sanction liaison may also provide you with additional steps needed to keep ICAR’s information synchronized with the federal computer system. Quick releases requested by 3:30 PM (central time) may result in a passport sanction release within one to two business days (excluding state and federal holidays).

### **Emergency Releases**

Emergency passport sanction releases can occur only in the most extreme circumstances and must be accompanied by documentation. To qualify, the obligor must meet the criteria set by OCSE for a “life-or-death situation” and provide adequate documentation and information.

Additionally, due to time zone differences, you must provide the information to the passport sanction liaison no later than 3:00 PM to ensure the necessary forms can be prepared and filed with OCSE before the close of its business day.

OCSE’s criteria for a life-or-death situation includes the following:

- ◆ The imminent death or funeral of an immediate family member.
- ◆ A serious illness of an immediate family member.
- ◆ A dangerous operation involving an immediate family member.

OCSE’s definition of an immediate family member of the obligor includes:

- |                              |               |
|------------------------------|---------------|
| ◆ Parent or guardian         | ◆ Uncle       |
| ◆ Child (natural or adopted) | ◆ Stepchild   |
| ◆ Grandparent                | ◆ Stepparent  |
| ◆ Sibling                    | ◆ Stepsibling |
| ◆ Aunt                       | ◆ Spouse      |

Examples of documentation required (other documentation may be considered) include the following:

- ◆ Death certificate.
- ◆ Letter from the doctor.
- ◆ Red Cross verification documents.

If you believe an obligor qualifies for an emergency release, immediately fax the documentation to the passport sanction liaison along with a copy of the State Department's *Passport Denial Letter* (if available). Also send an accompanying e-mail with the following information for the obligor:

- ◆ Full name (first, middle, and last) as it appears on the passport application.
- ◆ Social security number.
- ◆ Date of birth (month, day, and year).
- ◆ Place of birth (city and state).
- ◆ Phone number, including the area code, for use by the State Department in the event of a problem releasing the passport sanction.
- ◆ Passport agency named in the upper right corner of the State Department passport application denial letter. If the notice is unavailable, the obligor must choose one of the major passport agencies shown on the State Department's web site:  
[http://travel.state.gov/passport/about\\_contact\\_agencies.html](http://travel.state.gov/passport/about_contact_agencies.html)

OCSE and the State Department make the final determinations as to whether an obligor qualifies for an emergency release.

### **Passport Required for Continued Employment**

If an obligor owes over \$5,000.00 and claims that international travel is essential to employment, verify the following two conditions:

- ◆ International travel is required as a condition of the obligor's continued employment, and
- ◆ The Unit receives regular payments under an income withholding order from that employer.



If an income withholding order is not in place, send the income withholding order to the employer immediately. See the income withholding process for information.

If an obligor claims that international travel is essential to the obligor's employment and meets both conditions listed above, take the following steps to process the obligor's request:

- ◆ Obtain signed documentation from the employer indicating the need for the passport (a letter, memo, or other employer documentation stating that the obligor requires the passport to maintain current employment).
- ◆ Place this documentation in the case file.
- ◆ Narrate the specifics of this passport sanction bypass.
- ◆ Enter a "P" (for passport) in the BYPASS field on the OFFSET screen. ICAR submits the updated information to OCSE at the next run of the federal offset selection program. OCSE forwards the release to the State Department on the following Monday.
- ◆ If the obligor requires the passport before the next run, follow the steps for a quick release. See [Quick Releases](#).
- ◆ Set a calendar flag to review the case at six-month intervals. If the obligor's employment changes or the payments end, remove the "P" entry in the BYPASS field.

**Note:** A federal holiday may delay a release by one or two business days.

## **PRE-OFFSET NOTICES**

**Legal reference:** 45CFR 303.72(e)

OCSE issues a pre-offset notice to each obligor that the Unit certifies for federal offsets and passport sanctions. OCSE issues pre-offset notices when:

- ◆ The Unit initially submits the obligor for federal offsets and passport sanctions.
- ◆ An additional case qualifies for federal offsets, even if the obligor's other cases remain eligible for federal offsets.
- ◆ The Unit resubmits the obligor for federal offsets and passport sanctions after a period when the obligor did not qualify for federal offsets or passport sanctions.

OCSE sends notices throughout the year approximately seven to ten days following the Unit's submission of the obligor's information. If the obligor has both PA and NPA past-due support amounts that meet certification criteria, the obligor receives a pre-offset notice for each amount.

The pre-offset notice includes the following:

- ◆ Notice that the obligor is subject to offset of a federal tax refund or federal non-tax payment to pay past-due support. The notice also states that if the obligor owes over \$5,000.00, the past-due support will be submitted for passport sanction.
- ◆ Identification of the type of past-due support. The PAST DUE AMOUNT CLAIMED field lists PA past-due support as "TANF" and NPA support as "Non-TANF." TANF is the acronym that represents the federal name for the Family Investment Program (FIP). TANF stands for "Temporary Assistance for Needy Families."
- ◆ Notice of the right to contest the determination that past-due support is owed or to contest the actual amount owed within 30 days of the date of the notice. To ensure the obligor has adequate time to challenge the submission for federal offsets, FMS does not offset an obligor's payments within the first 30 days of the date on the pre-offset notice.
- ◆ The obligor's name, address, social security number, and ICAR case number.
- ◆ Notice of the right to an administrative review by the Unit. At the request of the obligor, an administrative review may be conducted by the state where the order originated or the state with continuing exclusive jurisdiction, if different from the certifying state.
- ◆ A description of the procedures and timeframes for contacting the Unit to request a review.
- ◆ A statement that in the case of a joint income tax return, a spouse who has no legal responsibility for the past-due support may be entitled to receive his or her portion of any joint federal tax return. The notice also instructs the spouse on the correct procedures for claiming the spouse's share of the tax offset. See [Division of a Joint Federal Income Tax Refund](#) for more information.
- ◆ The address and phone number of the Specialized Customer Service Unit (SCSU) to contact with questions or to dispute the certification.
- ◆ A statement that this notice is the only notice the obligor receives regarding federal offset certification.

Obligor M has the following past-due support amounts:

Case 1: \$786.00 to the 11 account

Case 2: \$544.00 to the 11 account and \$1,291.00 to the 12 account.

Result: Obligor M receives a pre-offset notice that displays "\$1,330.00 (TANF)" in the PAST DUE AMOUNT CLAIMED field and a separate pre-offset notice that displays "\$1,291.00 (NON-TANF)" in the PAST DUE AMOUNT CLAIMED field.

If the combination of an obligor's NPA and PA past-due support dollar amounts is greater than \$5,000.00, the obligor is subject to passport sanctions.

Obligor J has the following past-due support amounts on one case:

- \$4,326.00 to the 11 account
- \$1,235.00 to the 12 account.

Result: Obligor J receives two pre-offset notices.

- The first displays "\$4,326.00 (TANF)" in the PAST DUE AMOUNT CLAIMED field, and
- The second displays "\$1,235.00 (NON-TANF)" in the PAST DUE AMOUNT CLAIMED field.

The sum of the two past-due support amounts is \$5,561.00. Since the obligor's total past-due support amount is greater than \$5,000.00, the obligor is also subject to passport sanctions.

Four months later, Obligor J's second case qualifies for PA federal offsets by having \$75.00 of past-due support. ICAR did not previously submit this case for federal offsets or passport sanctions.

Result: ICAR now submits the case by updating the amount on file at OCSE by \$75.00. At the same time, ICAR prompts OCSE to mail an additional pre-offset notice to the obligor.

The past-due support amount on the pre-offset notice reflects the past-due support at the time ICAR submits the obligor for federal offsets. The past-due support amount may change after OCSE sends the pre-offset notice if the obligor makes payments that allocate to the certified past-due support or additional past-due support accrued since the last submittal.

If an obligor contacts you about the pre-offset notice, be prepared to share the following information:

- ◆ The pre-offset notices are official notices of Iowa’s attempt to collect child support through the federal tax refund offset program, the federal administrative offset program, and passport sanctions.
- ◆ The pre-offset notice provides advance notice to the obligor each time a new case or a previously decertified case qualifies for federal offsets. This occurs even if the obligor has cases previously certified for federal offsets.
- ◆ Obligor with both PA and NPA past-due support that meet the selection criteria receive a pre-offset notice for each past-due support amount. The past-due support shown on a PA notice is the total PA past-due support for **all** of the obligor’s cases. The past-due support shown on an NPA notice is the total NPA past-due support for **all** of the obligor’s cases.
- ◆ When the past-due support amount changes, the Unit updates the amount on file with OCSE and FMS without further prior notice to the obligor.

If a pre-offset notice with an invalid obligor address is returned to your office, check ICAR to determine if a more recent address is available. If ICAR has a more recent address, re-mail the pre-offset notice. See the location process for more information.

If no address is provided and there is no additional address on ICAR, narrate on all related cases that the pre-offset notice was returned due to an invalid address. Destroy the returned mail.

## **ADMINISTRATIVE REVIEWS**

**Legal reference:** 45 CFR 303.72(f), (g)  
441 IAC 95.7(4) and 7.8(17A)

Each pre-offset notice informs the obligor of the right to contest the certification before the offset or passport sanction occurs. Processing these challenges is referred to as an “administrative review.”

In the administrative review, you determine if a mistake of fact for the federal tax offset program, the federal administrative offset program, or the passport sanction program has been made.

A mistake of fact for the federal tax offset program or the federal administrative offset program is a mistake in:

- ◆ The identity of the obligor (the name or the social security number).
- ◆ The amount of the past-due support on the most recent pre-offset notice (the amount of past-due support on the pre-offset notice is more than the amount on the cases as of the submittal date).

A mistake of fact for the passport sanction program is a mistake in:

- ◆ The identity of the obligor (the name or the social security number).
- ◆ The amount of past-due support (the amount as of the date of the review is less than \$5,000.00).

An obligor who wants an administrative review must request the review within 30 calendar days of the date of the pre-offset notice.

### **Informal Review**

When an obligor contacts the Unit to dispute the past-due support amount on the pre-offset notice, first conduct an informal review of the cases. The purpose of this review is to find and correct any errors as quickly as possible. In the review, recalculate the amount of support owed under the orders used for the amount sent to OCSE.

After the informal review, if the obligor continues to contest the amount of support due, the obligor may request an administrative review verbally or in writing.

To determine if the total past-due support qualifies for offset and passport sanction, do the following:

- ◆ Review the BALANCE screen on each of the obligor's cases.
  - The PA past-due support amount includes the total of all balances in account types 11, 13, 41, 43, and 48.
  - The NPA past-due support amount includes the total of all balances in account types 10, 12, 18, 40, and 42.

- ◆ Subtract all current month’s coupons.
- ◆ Add all payments credited in the current month to the current past-due support amount as of the date of calculation.
- ◆ Verify that each submitted case individually has at least \$50 of PA or NPA past-due support.
- ◆ If submitted for PA federal offsets, verify that the obligor’s total PA past-due support, is at least \$150.
- ◆ If submitted for NPA federal offsets, verify that the obligor’s total NPA past-due support is at least \$500.

An NPA obligor’s monthly support obligation is \$100. On March 5, the obligor pays\$50 that applies to the March support.

During the second weekend of March, ICAR selects the obligor for federal offsets and certifies the obligor’s NPA past due support to OCSE. ICAR calculates an NPA amount of \$1,000 for this obligor and includes that amount in the certification. OCSE mails the pre-offset notice to the obligor that contains the \$1000 amount.

On March 30, the obligor requests an administrative review. As the worker assigned to the case, you review the case.

On March 30, the ICAR displays an NPA past-due support amount of \$1,050 on the BALANCE screen. You calculate the obligor’s past-due support at the end of February by starting with the current past-due support amount of \$1,050. Next, you subtract the current month’s coupons of \$100. Finally, you add the current month’s payment of \$50.

\$1,050.00	(NPA amount from the BALANCE screen)
- 100.00	(Current month’s coupons)
<u>+ 50.00</u>	(Payments from the current month)
\$1,000.00	

Your review confirms \$1,000 of the past-due support at the end of February.

If the Unit determines that ICAR certified more past-due support than what the obligor currently owes, immediately report this to the obligor. Immediately correct the case’s information in ICAR. ICAR automatically sends the updated past-due support amounts to OCSE when the selection program runs.

### **Review of the Passport Sanction**

Withdraw the passport sanction when:

- ◆ The administrative review reveals a mistake of fact for the passport sanction.
- ◆ The administrative review reveals that the obligor's up-to-date overdue support amount is less than \$5,000.00.
- ◆ The obligor is making the required payments on a court ordered repayment plan for RE obligations only.
  - If the obligor has only RE obligations and there is a court-ordered repayment plan on those RE obligations, you must manually bypass the obligor from the passport sanction process if the obligor is up-to-date on the repayment plan.
  - If, along with the court-ordered repayment of RE obligations, there are other past-due obligations over \$5,000, the passport sanction remains in place.

### **Intrastate (In-State) Administrative Reviews**

An intrastate (in-state) administrative review is a review requested by an obligor certified for offsets or passport sanction based on past-due support under an Iowa order. To request a review, the obligor must contact the Unit by the date given in the pre-offset notice.

The obligor may also call 515-281-6000, the number for the *Child Support Information Message for Federal Tax Refund and Administrative Offsets and Passport Sanctions*. This automated response unit informs the caller that the obligor can contest the action by writing to the Unit identified on the pre-offset notice.

The automated response unit informs the obligor to identify the concerns, questions, and what the obligor is disputing. The obligor is also informed to include evidence that indicates why the federal tax refund or federal administrative payment should not be offset.

The obligor may also call the Unit's toll free number, 1-888-229-9223. This number has automated information similar to the automated response unit. However, the obligor may also speak with a customer service representative if calling when SCSU is open.

Regardless of the method of contact, the Unit must review the balance.

### Request for an Administrative Review

If the obligor continues to dispute the amount of support owed after you conduct the informal review, advise the obligor to request an administrative review. Record the request on the OFFSET screen in the REVIEW REQ (T/A/P) field.

If an obligor has cases in more than one office, the worker contacted by the obligor is responsible for gathering the information and conducting the review.

When you add entries to the REVIEW REQ (T/A/P/) field, ICAR issues a narrative (FED70). The narrative records the federal enforcement tools to be reviewed and prompts you to enter the obligor's reason for the request. ICAR also issues a calendar flag (FED22) two days later reminding you to record the time and place of the administrative review.

- ◆ Enter "T" and "A" to indicate an administrative review is in process for federal tax offset and administrative offset when the total past-due support amount submitted totals less than \$5,000.00. These entries indicate that the administrative review is limited to federal tax and administrative offsets.
- ◆ Enter "T," "A," and "P," to indicate an administrative review is in process for federal tax offset, federal administrative offset, and passport sanction when the total past-due support amount submitted is \$5,000.00 or greater. This administrative review is for both federal offsets and passport sanctions.

When you remove entries from the REVIEW REQ (T/A/P) field, ICAR issues a narrative (FED71) to document that an administrative review is no longer needed for a federal offset or passport sanction. You **must** enter the reason the review is no longer needed.

**Note:** In order to ensure that the obligor receives due process, review the cases for both types of offsets when the past-due support amount is less than \$5,000.00. Review the cases for offsets and passport sanctions when the past-due support amount is \$5,000.00 or more.

Even if the obligor does not specifically ask you to review an administrative offset or passport sanction, review the past-due support amount for the offset programs and the passport sanction when applicable. This ensures due process for the other enforcement tools and avoids unnecessary challenges.



### **Scheduling the Administrative Review**

When you receive a request for an administrative review, schedule the date, time, and place of the administrative review. Make the appropriate entries in the REVIEW REQ (T/A/P) field. ICAR displays form 470-2086, *Notice of Administrative Review*, for you to enter the required data, such as the time and place of the review.

Before you print the form to schedule the review, select the appropriate variable paragraphs for the issues you will discuss in the review.

- ◆ If the obligor's past-due support amount is less than or equal to \$5,000.00, select paragraph A) INCOME TAX REFUND AND FED PYMNT OFFSET. The text of the printed form states that the obligor received notice that the unit intends to offset the obligor's income tax refund and federal non-tax payment.
- ◆ If the obligor's past-due support amount is greater than \$5,000.00, select paragraph A) INCOME TAX REFUND AND FED PYMNT OFFSET *and* paragraph B) PASSPORT SANCTION (IF BALANCE > \$5000). The text of the printed form states that the obligor received notice that the Unit intends to:
  - Offset the obligor's income tax refund and federal non-tax payment and
  - Request a passport sanction.

The *Notice of Administrative Review* informs the obligor, and the obligee, if appropriate, of the date, time, and place of the administrative review and states the only issue to be discussed at the review is the amount of the past-due support. Before meeting with the obligor, review the cases and verify the amount of past-due support.

Federal regulations require the Unit to notify the obligee when and where the administrative review of NPA past due support is to be held. ICAR automatically generates copies of the *Notice of Administrative Review* for the obligor and for the obligee. If the NPA past-due support is at issue, send the obligee a copy of the form. If only the PA past-due support is at issue, destroy the obligee's copy of the form.

Create two sets of the form, either by the office's printer or copier. File the second set in the case's file.

ICAR issues a narrative (FED100) to document the form generated. When ICAR displays the narrative, enter the time and date of the administrative review.

### **Conducting the Administrative Review**

The worker or, in the absence of the worker, another designated person conducts the administrative review. Supervisors or lead workers may also attend the review, if the supervisor determines this is appropriate. The obligor may attend the conference in person or by telephone.

In your review, recalculate the amount of support owed under the orders used for the past-due support amount sent to OCSE.

#### **Submission Upheld**

If you determine the amount of past-due support the Unit certified is correct, enter an “S” (stands) in the OUTCOME (S/D) field on the OFFSET screen. ICAR issues a narrative (FED77) that records this decision and prompts you to enter a brief explanation.

If you determine the certified amount was less than the amount the obligor owed at the time of the certification, enter an “S” in the OUTCOME field of the OFFSET screen. Review the case for the cause of the error in the past-due support amount and correct it.

#### **Submission Incorrect**

If you determine the pre-offset notice was sent to the wrong person or the obligor should not have been certified for offset or passport sanction, enter a “D” (delete) in the OUTCOME (S/D) field of the OFFSET screen. ICAR issues a narrative (FED79) that records this action and prompts you to enter the reason.

Review the obligor’s name and social security number on the PAYOR screen for accuracy. Correct any errors.

ICAR decertifies the obligor the next time the batch program runs and issues a narrative (FED64) to record the decertification. Once the obligor has been decertified and the case is correct, remove the “D” from the OUTCOME field to allow the batch programming to review the case in the future.

### **Notifying the Obligor of the Decision for Federal Offset**

Use form 470-2086, *Notice of Administrative Review*, to notify the obligor of the results of the administrative review. When you enter the results of the review in the OUTCOME(S/D) field on the OFFSET screen, ICAR displays the form and issues a narrative (FED101) to record that the form was issued.

Enter the current certified past-due support amount for federal tax offset and federal administrative offset, regardless of the amount of the past-due support amount ICAR sent to OCSE.

The *Notice of Administrative Review* tells the obligor:

- ◆ Whether or not the Unit discovered a mistake of fact.
- ◆ Whether or not the Unit is stopping the offset process.

Send the original form within ten days of completing the administrative review. The immediate supervisor must review and approve the review decision. Place a copy of the signed form in the case file.

Notify both the obligor and the obligee of the decision on a review of NPA past-due support amount. ICAR automatically generates copies of the *Notice of Administrative Review* for the obligor and for the obligee. If the NPA past-due support is at issue, send a copy to the obligee. If only the PA past-due support is at issue, destroy the obligee's copy of the form.

### **Notifying the Obligor of the Decision on a Passport Sanction**

Use form 470-3422, *Notice of Decision Regarding Challenge to Passport Sanction*, to notify the obligor of the results of the administrative review. When you enter the results of the passport sanction review in the OUTCOME (S/D) field on the OFFSET screen ICAR displays the form and issues a narrative (FED102) to document the form was issued.

Enter the current certified past-due support amount for a passport sanction, regardless of the amount of the past-due support amount ICAR sent to OCSE. Send this form within ten days from the date of the administrative review.

The *Notice of Decision Regarding Challenge to Passport Sanction* tells the obligor:

- ◆ Whether or not the Unit discovered a mistake of fact.
- ◆ Whether or not the Unit is stopping the passport sanction process.
- ◆ How to initiate a contested case hearing according to Iowa Administrative Code, Chapter 17A if the obligor continues to dispute the overdue support amount.

The obligor has ten days from the date of the issuance of the *Notice of Decision Regarding Challenge to Passport Sanction* to request a 17A contested case hearing. See [APPEALS](#).

### **Notifying the Obligor of the Decision on a Balance of \$5,000.00 or More**

If an obligor's balance is \$5,000.00 or more, send both form 470-2086, *Notice of Administrative Review*, and form 470-3422, *Notice of Decision Regarding Challenge to Passport Sanction*, to notify the obligor of the results of the review.

## **Interstate Administrative Reviews**

An interstate administrative review is a review requested by an obligor certified by the Unit for offsets or sanctions based on an order from another state. The obligor may request that either the state where the original order was entered or the state with continuing exclusive jurisdiction conduct the administrative review. If another state conducts the review, the Unit is bound by that state's decision.

### **Interstate Administrative Reviews Transferred to Another State**

Upon receipt of the obligor's request for an interstate administrative review in another state, update the TRANSFER field on the OFFSET screen with the valid two-letter postal abbreviation for the responding state or the state with continuing exclusive jurisdiction. The state code is transmitted to OCSE with the next update.

When you add the abbreviation for the responding state or the state of continuing exclusive jurisdiction, ICAR displays the INTERSTA screen and issues a narrative (FED69). The narrative documents the request and prompts you to enter the date of the request and other comments regarding the request.

Review the INTERSTA screen to see if a valid interstate referral has been made to the other state. If not, make the needed entries to initiate a referral to the other state. Enter "TAX" in the REFERRAL TYPE field for an administrative tax review. For more information on the required entries, see 9-K, [Interstate Contact Screen A \(INTERSTA\)](#).

Within ten working days from the date of the obligor's request for an interstate administrative review in another state, take the following actions:

- ◆ Complete form 470-3469, *Child Support Enforcement Transmittal #1 – Initial Request*. See [9-K-Appendix](#).
- ◆ Prepare supporting documents for the administrative review request. See 9-K-Appendix, [UIFSA Forms Matrix](#).

Mail this packet to the state where the obligor is requesting an administrative review.

Once you complete the INTERSTA screen, press PF14 (SHIFT+PF2) on the INTERSTA screen to display the Interstate Contact Screen 4 (INTERST4) screen.

Use the ADM TAX REVIEW field on this screen to inform the obligor, obligee, and other state of the status of the administrative review. The valid entries include:

R A federal administrative tax review has been requested.

Enter "R" when you receive the request for the administrative review. ICAR also requires you to enter the date the Unit received the request. ICAR issues a narrative (CASE279) to document the receipt of a request for an interstate administrative federal tax review.

S A federal administrative tax review has been scheduled.

Enter "S" to document the date the other state scheduled the administrative review. ICAR also requires you to enter the date of the administrative review. ICAR issues a narrative (CASE280) to document the scheduling of an interstate administrative federal tax review and generates a status to the obligee (CASE31) and a status to the other state (CASE32).

The statuses notify recipients that an interstate administrative federal tax review is scheduled. Because the information came from the other state, discard the status addressed to the other state. Mail the obligee's status to the obligee.

C A federal administrative tax review has been completed.

Enter “C” when you receive the decision of the administrative review. ICAR issues a narrative (CASE281) to document the completion of an interstate administrative federal tax review and sends a status to the obligee (CASE34), to the obligor (CASE35), and the other state (CASE36).

The statuses notify recipients of the results of the interstate administrative federal tax review. Because the information came from the other state, discard the status addressed to the other state. Mail the other statuses to the obligee and obligor.

If an administrative review by the responding state or the state of continuing exclusive jurisdiction results in a deletion or decrease in the amount of past-due support certified, the state that conducted the review notifies OCSE. OCSE notifies the Unit of a deletion or modification in the amount offset resulting from the administrative review. The other state may also notify the Unit of the results.

If the administrative review results in a deletion or decrease in the amount of past-due support certified, update the information on the case to comply with the decision of the administrative review.

If the offset has already occurred and a refund is due the obligor, the state that conducted the review notifies the Unit of the decision. Complete a refund to return amounts incorrectly offset. See 11-W, [SPECIAL ABSTRACTS AND REFUNDS](#).

### **Interstate Administrative Reviews Transferred to Iowa**

If the amount certified by another state was based on an order from Iowa, the Unit office responsible for the county where the order was entered handles the administrative review at the request of the obligor. The submitting state that transferred the administrative review to Iowa is bound by the administrative decision issued by the Unit.

Review the INTERSTA screen to see if a valid interstate referral was received from the other state. Enter “TAX” in the REFERRAL TYPE field for an administrative tax review. See 9-K, [Interstate Contact Screen A \(INTERSTA\)](#), for more information on the required entries.

Once you update the INTERSTA screen, press PF14 (SHIFT+PF2) to display the INTERST4 screen. Use the ADM TAX REVIEW field on this screen to inform the obligor, obligee, and other state of the status of the administrative review. Valid entries include:

- R A federal administrative tax review has been requested. Enter “R” when you receive the request for the administrative review. ICAR also requires you to enter of the date the Unit received the request.

ICAR issues a narrative (CASE279) to document the receipt of a request for an interstate administrative federal tax review.

- S A federal administrative tax review has been scheduled. Enter “S” to document the date of the administrative review. ICAR also requires you to enter the date of the administrative review.

ICAR narrates the entry (CASE280) to document the scheduling of an interstate administrative federal tax review and generates statuses to the obligee (CASE31) and to the other state (CASE32). The statuses notify recipients that an interstate administrative federal tax review is scheduled. Mail the statuses.

- C A federal administrative tax review has been completed. Enter “C” to record the decision of the administrative review.

ICAR narrates the entry (CASE281) to document the completion of an interstate administrative federal tax review and generate statuses to the obligee (CASE34), the obligor (CASE35), and the other state (CASE36). The statuses notify recipients of the results of the interstate administrative federal tax review. Mail the statuses.

If the administrative review results in a deletion or decrease in the amount of past-due support certified, notify the federal offset liaison. The federal offset liaison notifies OCSE by submitting an updated request if the offset has not yet occurred. In turn, OCSE notifies the submitting state of any deletion or decrease in the amount certified.

## **OFFSET OF A FEDERAL PAYMENT**

The obligor is subject to federal offsets 30 days after the date listed on the pre-offset notice. When FMS identifies a federal payment due to an obligor, FMS sends a notice to the obligor and redirects the payment to the Unit.

### **Priority of Claims**

**Legal reference:** 31 CFR 285.3(d), 285.5(f)(3), 285.7(h)

FMS uses the following order when processing competing certifications for an obligor's funds.

- ◆ Federal tax debts.
- ◆ PA past-due support amounts/child support TANF cases.
- ◆ Other federal debts.
- ◆ NPA past-due support amounts/child support non-TANF cases.
- ◆ State tax debts.

If multiple states or jurisdictions certify an obligor for offset, FMS offsets the funds in the order the states or jurisdictions initially submitted the obligor for offsets. FMS does not submit funds to the second state or jurisdictions until the claims of the first entity are satisfied.

### **Notices at the Time of Offset**

**Legal reference:** 45 CFR 303.72(h), 441 IAC 95.8

To ensure that the obligor has an opportunity to contest an offset of a federal payment, both FMS and the Unit mail a notice to the obligor.

#### **Federal Offset Notice**

FMS sends the *FMS Offset Notice* to the obligor when an offset takes place. This federal form includes:

- ◆ The amount of the federal offset.
- ◆ The obligor's name, address, and social security number.



- ◆ A statement that for a joint tax return, an injured spouse may file federal form 8379, *Injured Spouse Claim and Allocation*, to claim a proportionate share of the federal refund.
- ◆ The Unit's address and telephone number the obligor should contact regarding balance disputes or for additional information.

It takes up to six weeks between the time FMS mails the *FMS Offset Notice* to the obligor and the time the payments are transmitted to the Unit to be applied to the obligor's cases. This time lapse means the obligor often has more information about the offset than the Unit does at this point in the process.

When an obligor contacts the Unit about a federal offset, immediately request a copy of the *FMS Offset Notice*. Explain to the obligor that this helps provide the Unit with the most accurate information for researching any concerns.

You may contact the federal offset liaison for additional information about an offset that ICAR does not yet display.

#### **Notice of Appeal Rights for Federal Offsets**

When ICAR receives the offset information (collections file) from OCSE, ICAR automatically sends form 470/3684, *Appeal Rights for Federal Offsets*, to the obligor to explain the obligor's appeal rights.

ICAR receives this information up to six weeks after FMS sends the *FMS Offset Notice* to the obligor. The Unit typically receives collections files on a bi-weekly basis. Annually, the federal offset liaison provides the field staff with an electronic copy of each year's tentative schedule.

When ICAR issues form 470/3684, ICAR issues a narrative (FED97) to record the form was generated and the amount of the offset. However, if ICAR does not have a verified address for the obligor, ICAR issues a different narrative (FED96) to document this and does not issue the *Appeal Rights for Federal Offset*.

If an appeal is in progress (entries in the APPEAL REQ (T/A/P) or REVIEW REQ (T/A/P) fields without an entry in the OUTCOME (S/D) field on OFFSET), ICAR issues a narrative (FED99) and does not issue the form.

Because there is a delay between the offset and the Unit's receipt of the funds, the obligor may contact you before the Unit receives the funds or issues the *Appeal Rights for Federal Offset*. The offset, not the form, represents the adverse action. The fact that the Unit has yet to receive the funds or issue the *Appeal Rights for Federal Offset* does not prevent the obligor from appealing the adverse action.

If the obligor contacts you after receiving the *FMS Offset Notice* and has not requested an appeal, manually generate the *Appeal Rights for Federal Offset* if ICAR has not already generated it. You may print this form on line from the APPEAL NOTICE field on the OFFSET screen. ICAR issues a narrative (FED98) to record the date you generated it.

Mail the *Appeal Rights for Federal Offset* to the obligor. Keep a copy in the case file. The obligor has 15 days to make a written request for an appeal. The obligor may receive both notices; but the obligor is allowed only one appeal per offset. See [APPEALS](#).

If the obligor receives federal administrative payments on a regular basis through this source (instead of this being a one-time payment), issue an income withholding order and attach it to the source, if known.

If the obligor states that part of the refund belongs to a spouse, generate and mail form 470-3685, *Joint Federal Income Tax Return Information*. See [Division of a Joint Federal Income Tax Refund](#).

If the obligor contacts you after the period to appeal has expired insisting that the obligor never received the *Appeal Rights for Federal Offset* and was unaware of the right to appeal, check if the obligor moved during the time the form was originally mailed. Proceed as follows:

- ◆ If you can verify a change of address or the obligor provides documentation of a change of address, manually reissue the *Appeal Rights for Federal Offset*. ICAR issues a narrative (FED98) to record the date you generated this form. The obligor has 15 days to make a written request for an appeal.
- ◆ If there has been no change of address, assume the obligor received the *Appeal Rights for Federal Offsets* and do not reissue it.

## **Division of a Joint Federal Income Tax Refund**

**Legal reference:** 45 CFR 303.72(h)

For the purposes of federal tax offsets, an obligor's spouse is typically not responsible for the support obligation of the obligor. However, if the obligor or obligor's spouse does not file the needed form, FMS offsets the entire federal tax refund from their joint federal tax return. The term "injured spouse" is used to describe a spouse whose portion of the federal tax refund was offset for the payment of their spouse's support obligation.

The IRS, **not** the Unit, is responsible for determining the portion of the refund due to the injured spouse. An injured spouse may request the proportionate share of the joint return. To do this the injured spouse must complete federal form 8379, *Injured Spouse Claim and Allocation*, available from the IRS and submit the form to the IRS.

If the obligor and the obligor's spouse file the *Injured Spouse Claim and Allocation* with their joint federal tax return, the IRS usually processes the forms together. As a result, the offset redirects only the obligor's portion of the refund to the Unit. FMS pays the spouse's portion directly to the spouse. When the division of the return occurs before the offset, the IRS notifies the Unit electronically. OCSE refers to this notification as the "injured-spouse notification."

The IRS does not always process an *Injured Spouse Claim and Allocation* with the joint tax return. This may occur if the *Injured Spouse Claim and Allocation*:

- ◆ Is not filed by the obligor or the obligor's spouse.
- ◆ Arrives at the IRS separately from the return, such as in a separate envelope or by paper with the return being filed electronically.
- ◆ Arrives after the tax return.
- ◆ Processes separately from the tax return because the IRS identifies a problem with the *Injured Spouse Claim and Allocation*.

When the IRS does not process the *Injured Spouse Claim and Allocation* with the joint tax return, FMS offsets the full amount of a joint tax refund when either spouse is certified.

An injured spouse may request the proportionate share of the joint return. The *FMS Offset Notice* and form 470-3684, *Appeal Rights for Federal Offsets*, includes information about the *Injured Spouse Claim and Allocation*.

If the obligor or obligor's spouse contacts you about the injured spouse's portion, generate and mail the informational form 470-3685, *Joint Federal Income Tax Return Information*. This form, available using the FORMOSEL screen, directs the obligor or obligor's spouse to consult either the IRS or an income tax specialist regarding questions about this form.

Manually narrate the event using the FED process code. The obligor and the injured spouse complete and submit the form to the IRS according to the form's instructions. The Unit does not issue payments directly to the injured spouse. FMS is responsible for determining the division of the refund and issuing any payment to the injured spouse.

Do not delete or modify the certifications or issue special abstracts to compensate an injured spouse. If the Unit issues a refund and the obligor's spouse files an injured spouse form, the spouse receives twice the money due and the Unit loses both the refunded amount and the amount adjusted by FMS due to the injured-spouse filing.

When the IRS processes the *Injured Spouse Claim and Allocation* **after** the original offset, FMS does not notify the Unit. FMS issues the payment to the injured spouse and adjusts the state's account accordingly. OCSE notifies ICAR electronically to complete this adjustment. See [Adjustments to Federal Offset Receipts](#).

**Note:** Do not assume that an adjustment to a federal offset is the same as a notification that the obligor or injured spouse filed the *Injured Spouse Claim and Allocation*. Adjustments may occur due to an amendment to the federal tax return or the IRS correcting its own processing errors.

### **Distributing Federal Tax Offsets to Past-Due Support**

**Legal reference:** 45 CFR 303.72  
441 IAC 95.7(252B)

ICAR automatically performs many of the functions for distributing federal tax refund offsets. Federal tax offset distribution is included in this chapter because of its unique payment distribution and the special processing that occurs with "arrearage-only" distribution. See the distribution process.

Primarily, workers intervene in cases involving offsets that:

- ◆ ICAR keeps in hold beyond the expected disbursement date; or
- ◆ ICAR rejects because it cannot allocate the entire offset.

ICAR displays federal tax offsets with a fund source of “FED” on the PAYHIST screen and also does the following:

- ◆ Issues a narrative (FED94) if the FED payment results from the offset of a individual tax refund.
- ◆ Issues a narrative (FED95) if the FED payment results from a joint tax refund.
- ◆ Issues a status (FED2) explaining the offset process to the obligee and issues a narrative (FED31) to record the status was issued, if the FED payment results from the offset of an individual refund.
- ◆ Issues a status (FED3) explaining the offset process to the obligee and issues a narrative (FED32) to record the status was issued, if the FED payment results from the offset of a joint refund.
- ◆ Issues a narrative (FED33) to record that a status was not issued, if the FED payment results from the offset of an individual refund and ICAR does not issue a status (FED2) due to no address for the obligee.
- ◆ Issues a narrative (FED34) to record that a status was not issued, if the FED payment results from the offset of a joint refund and ICAR does not issue a status (FED3) due to no address for the obligee.

ICAR displays federal administrative offsets with a fund source of “FAO” on the PAYHIST screen. If ICAR is unable to allocate the FAO payment, ICAR issues a narrative (FED83) to document that a flag was issued to the worker.

#### **Entire Offset Allocates to Certified Past-Due Support**

ICAR receives offset amounts from FMS electronically. FMS routes the payments to the Unit by OCSE. If FMS offsets an obligor’s refund twice, once for PA past-due support and again for NPA past-due support, FMS does not combine an obligor’s PA and NPA offsets. Instead, FMS transmits an obligor’s PA offset separately from the NPA offset.

FED payments are allocated only to past-due support, not to current support. To identify the cases ICAR uses in allocating an offset, review the PA and NPA certification records on the lower half of the OFFSET screen.

ICAR first allocates a PA offset to cases certified for PA past-due support, until it pays all PA past-due support (or all the offset money is allocated). When the obligor has multiple cases with certified PA past-due support, ICAR allocates the offset equally among the PA certified cases. Any excess that cannot allocate to one case is equally allocated among the remaining cases with certified PA past-due support.

If ICAR is unable to identify any additional past-due support on any of the other cases certified for PA past-due support, ICAR rejects the remaining portion of the PA offset and notifies workers of the rejected amount on the rejected receipts list.

Next, ICAR allocates any NPA offsets to cases with certified NPA past-due support, until it pays all NPA past-due support (or all the offset money is allocated). When the obligor has multiple cases with certified NPA past-due support, ICAR allocates the offset equally among the NPA certified cases.

Any excess that cannot allocate to one case is equally allocated among the remaining cases with certified NPA past-due support. If ICAR is unable to identify additional past-due support on any of the other cases certified for NPA past-due support, ICAR rejects the remaining portion of the NPA offset and notifies the worker using a calendar flag. See [ICAR Cannot Automatically Allocate All or a Portion of an Offset](#).

Within each case, ICAR allocates an offset first to the most recent unpaid PA past-due support and then to the most recent unpaid NPA past-due support certified for offset.

ICAR receives an offset of \$1200 for past-due PA support and an offset of \$100 for past-due NPA support. The OFFSET screen shows that obligor K has three cases certified for PA. Two of these cases are also certified for NPA. The past-due support amounts on the cases are as follows:

- Case A: PA = \$750      NPA = \$1200.
- Case B: PA = \$200      NPA = \$750.
- Case C: PA = \$150      NPA = not certified.

ICAR first tries to allocate \$400 to each of the PA past-due support amounts.

**First Result:** The updated past-due support amounts on the cases are as follows:

- Case A: PA = \$350                      NPA = \$1200.
- Case B: PA = \$0 (\$200 excess)      NPA = \$750.
- Case C: PA = \$0 (\$250 excess)      NPA = not certified.

\$200 on Case B and \$250 on Case C are not needed for the PA past-due support, so ICAR makes another pass at the remaining PA past-due support with the \$450.

**Second Result:** The updated past-due support amounts on the cases are as follows:

- Case A: PA = \$0 (\$100 excess)      NPA = \$1200.
- Case B: PA = \$0                        NPA = \$750.
- Case C: PA = \$0                        NPA = not certified.

ICAR rejects the remaining \$100, since no additional PA past-due support is available. \$100 from the PA offset should be refunded to the obligor.

ICAR splits the \$100 NPA offset equally between the NPA cases, allocating \$50 to Case A and \$50 to Case B.

**Final Result:** The past-due support amounts after both offsets received have been applied to the cases are as follows:

- Case A: PA = \$0                        NPA = \$1150.
- Case B: PA = \$0                        NPA = \$700.
- Case C: PA = \$0                        NPA = not certified.

### **Federal Offset Hold Periods**

The date ICAR disburses a FED payment to the obligee or another state agency depends upon three factors:

- ◆ The account type to which ICAR allocated the payment.
- ◆ The type of return filed (single or joint).
- ◆ The presence or lack of an injured-spouse indicator on the FED collections file.

**PA Accounts**

ICAR disburses FED payments to account types 10, 11, 13, 40, 41, 43, and 48 on the same day the payments allocate on ICAR. ICAR issues a narrative (FED94) to document the posting of the payment.

**NPA Accounts**

Although ICAR allocates a FED payment immediately, it holds any FED payment that allocates to account types 12, 18, or 42 for a specified period based on the type of tax return, single or joint.

This hold period allows the obligor or the obligor's spouse to file a claim with FMS to adjust the refund. The obligor may file an amended return or a federal form 8379, *Injured Spouse Claim and Allocation*, which may alter the amount of refund available for offset.

The disbursement date of a FED payment to a family account type is set at 30 days or five months after the allocation.

For FED payments from single returns, ICAR:

- ◆ Delays disbursement 30 days.
- ◆ Issues a narrative (FED94) to document the posting of the payment.
- ◆ Issues a status (FED2) to the payee to notify the payee of the expected disbursement date of the payment.

For FED payments from joint returns without an injured-spouse notification, ICAR:

- ◆ Delays disbursement five months.
- ◆ Issues a narrative (FED95) to document the posting of the payment.
- ◆ Issues a status (FED3) to the payee to notify the payee of the expected disbursement date of the payment.



For FED payments from joint returns with an injured-spouse notification, ICAR:

- ◆ Delays disbursement 30 days.
- ◆ Issues a narrative (FED112) to document the posting of the payment.
- ◆ Issues a status (FED2) to the payee to notify the payee of the expected disbursement date of the payment.

ICAR may keep an NPA offset in hold past the issuance date if it does not have the obligee's address and there is no active PAYEEEEFT screen. You will receive an electronic rejected receipts list to inform you of the cases that have offsets in hold past the distribution date. Regional staff distributes this report to you in Microsoft *Excel* format.

To remove the payment from hold, provide ICAR with a current address for the obligee, the FIPS code, or other information that the printout indicates is missing. ICAR issues the payment to the obligee the next working day.

ICAR also keeps a FED in hold if the OFFSET screen contains entries in the REVIEW REQ(T/A/P) or APPEAL REQ(T/A/P) fields without a corresponding entry in the OUTCOME (S/D) field. This ensures that ICAR does not disburse the federal payment while a review or appeal is in progress.

To disburse the payment, complete the OUTCOME (S/D) field (if the appeal is complete) or remove the entries in the REVIEW REQ(T/A/P) or APPEAL REQ(T/A/P) fields, if entered in error.

### **ICAR Cannot Automatically Allocate All or a Portion of an Offset**

You must intervene to distribute the offset to the proper obligee or obligor when:

- ◆ The offset exceeds the total PA and NPA past-due support amounts.
- ◆ The status of the case is no longer active.
- ◆ The case is missing key payor or payee information.
- ◆ The case is redirected.
- ◆ The certified past-due support changed to an interstate account type of 14, 15, 16, 17, 19, 44, 45, 46, 47, or 49.

Printout S472H055, *Daily Rejected Receipts*, lists cases that require your intervention.

### **Offset Exceeds the Total of Past-due Support Certified**

In some situations, the offset that ICAR receives is greater than the certified past-due support. This difference occurs if the certified past-due support has been reduced between the last time ICAR updated the certified past-due support amount at FMS and the time ICAR received the offset. Factors that may reduce the amount of the certified past-due support include:

- ◆ The obligor made a payment that applied to the certified past-due support.
- ◆ A payment from a CONVERT screen entry (such as, SAT-Satisfaction, COC-Clerk of Court) applied to the certified past-due support.
- ◆ The Unit incorrectly overstated the past-due support it certified and later corrected the mistake.

ICAR applies the offset only to the past-due support that the Unit certified for federal offsets. An offset does not allocate to past-due support not certified for federal offsets, such as support due on interstate account types (14, 15, 16, 19, 44, 45, 46, or 49) or past-due support that accrues after the receipt of the offset. If ICAR finds no other certified past-due support, it rejects the unallocated portion of the offset.

If the offset exceeds the certified past-due support processed by FMS, ICAR must refund some or the entire offset amount to the obligor, although uncertified past-due support remains on the case. See [Worker Actions to Return Offset to Obligor](#).

### **Offset Received on a Case Paid in Full**

ICAR rejects the unallocated portion of a FED payment when the case is paid in full. In this situation, based on the filing status of the tax return, ICAR issues a narrative (FED55 for an individual return; FED57 for a joint return), to document the receipt and rejection of the FED payment. ICAR also issues a status (FED2) to the obligee explaining the offset process.

Review the case to ensure the balance is correct.

If the status of the case is incorrect, take the necessary steps to correct the balance. During the nightly batch process one business day after your corrections are complete, ICAR will allocate the money to the certified past-due support if the offset is not rejected for some other reason.

If the case is correct, return the payment to the obligor unless the obligor has another case with certified past-due support. If the obligor has certified past-due support on another case, transfer the payment to that case. See [Worker Actions to Return Offset to Obligor](#).

### **Offset Received on a Case with No Past-Due Support**

ICAR rejects the unallocated portion of a FED payment when the case has no past-due support certified for federal offset. In this situation, ICAR issues a narrative to document that the entire offset was rejected (FED46) or a portion was rejected (FED50).

Review the case to ensure the balance is correct.

If the case is incorrect, take the necessary steps to correct it. During the nightly batch process one business day after your corrections are complete, ICAR will allocate the money to the certified past-due support if the offset is not rejected for some other reason.

If the case is correct, refund the payment to the obligor unless the obligor has another case with certified past-due support. If the obligor has certified past-due support on another case, transfer the payment to that case. See [Worker Actions to Return Offset to Obligor](#).

If the obligor asks you to apply the overage to any current or future support, ask the obligor to provide a signed statement making the request. If the obligor provides the signed statement:

- ◆ Narrate the request.
- ◆ Place the document in the case file.
- ◆ Notify CSC of the signed request.

**Note:** When CSC enters the override to allocate the rejected funds, ICAR does not hold the payment for the standard 30-day or five-month hold periods.

### **Offset Received on an Inactive Case**

ICAR does not allocate a FED payment to past-due support on a case with an inactive status (“I” in the STATUS (A/I/C/D/H) field on the CASE screen) even though the case was active at the time of certification. Instead, ICAR rejects the payment and issues a narrative (FED44) to document it was rejected and a calendar flag (FED12) to alert you.

If the status of the case is incorrect, change the case to the correct status. During the nightly batch process, ICAR will allocate the money to the certified past-due support if the offset is not rejected for some other reason.

If the case is correct, refund the payment to the obligor unless the obligor has another case with certified past-due support. If the obligor has certified past-due support on another case, transfer the payment to that case. See [Worker Actions to Return Offset to Obligor](#).

### **Offset Received on a Closed Case**

ICAR does not allocate a FED payment to past-due support on a case with a closed status (“C” in the STATUS (A/I/C/D/H) field on the CASE screen) even though the case was active at the time of submittal. Instead, ICAR rejects the payment and issues a narrative (FED40) to document it was rejected and a calendar flag (FED11) to alert you.

If the status of the case is incorrect, change the case to the correct status. During the nightly batch process, ICAR allocates the money to the certified past-due support if the offset is not rejected for some other reason.

If the case is correct, refund the payment to the obligor unless the obligor has another case with certified past-due support. If the obligor has certified past-due support on another case, transfer the payment to that case. See [Worker Actions to Return Offset to Obligor](#).

### **Offset Received on a Redirected Case**

ICAR does not allocate a FED payment to past-due support on a case redirected to a clerk of court. A redirected case contains a “Y” in the REDIRECTION flag field on the CASE screen.

ICAR also does not allocate a FED payment to Iowa Court Information system (ICIS) cases. An ICIS case contains a “Y” in the ICIS CASE field of the CASE screen. See the distribution process for explanation of redirected and ICIS cases.

If the redirection status of the case is incorrect, correct it. During the nightly batch process, ICAR will allocate the money to the certified past-due support if the offset is not rejected for some other reason.

If the case is correct, refund the payment to the obligor unless the obligor has another case with certified past-due support. If the obligor has certified past-due support on another case, transfer the payment to that case. See [Worker Actions to Return Offset to Obligor](#).

### **Offset Received on a Case with Missing Information**

ICAR does not allocate a FED payment to past-due support on a case when key case information is missing or does not match. ICAR rejects the FED payment when the case does not include:

- ◆ An obligor. ICAR issues a narrative (FED37) to document the reason for the reject.
- ◆ A payor ID that matches the one associated with the FED payment. ICAR issues a narrative (FED38) to document the reason for the reject and a calendar flag (FED10) to alert the worker.
- ◆ An obligee. ICAR issues a narrative (FED39) to document the reason for the reject.
- ◆ A valid court order (other than types “ON,” “OP,” or “VP”). ICAR issues a narrative (FED41) to document the reason for the reject.
- ◆ A valid obligation (other than types “HO,” “PO,” or “VO”). ICAR issues a narrative (FED42) to document the reason for the reject.

If the information is available, update the case. During the nightly batch process, ICAR allocates the money to the certified past-due support if the payment is not rejected for some other reason.

If, after thorough research, the information is not available, refund the payment to the obligor unless the obligor has another case with certified past-due support. If the obligor has certified past-due support on another case, transfer the payment to that case. See [Worker Actions to Return Offset to Obligor](#).

### **Offset Received During a Bankruptcy**

ICAR does not allocate a FED payment to past-due support on a case where the obligor is undergoing Chapter 7, 11, or 13 bankruptcy. ICAR displays information about bankruptcy in the BANKRUPTCY (Y/N) AND CHAPTER field on the PAYOR screen. ICAR rejects the payment and issues a narrative (FED29) to document it was rejected and a calendar flag (FED16) to alert you.

Review the details of the bankruptcy proceeding and determine, based on the date of the offset, the date of the bankruptcy, and the details of the bankruptcy, whether you may apply the FED payment or must return the payment to the obligor. Consult your office's attorney, if necessary.

If you may apply the FED payment, send a request to CSC to override the reject status. After CSC enters the override, ICAR allocates the money to the certified past-due support during the nightly batch process if the payment is not rejected for some other reason.

If you may not apply the payment, refund it to the obligor. See [Worker Actions to Return Offset to Obligor](#).

### **Balances Are Now 14, 15, 16, 17, 19, 44, 45, 46, 47, or 49**

ICAR does not allocate a FED payment to past-due support with interstate account types 14, 15, 16, 17, 19, 44, 45, 46, 47, or 49. Since past-due support of these account types was not part of the past-due support on file at OCSE and FMS, these account types are not eligible to receive the offset funds. See [Worker Actions to Return Offset to Obligor](#).

**Account Type Should Be 10, 11, 12, 13, 18, 40, 41, 42, 43, or 48**

Change the account to the correct account type. During the nightly batch process one business day after the correction, ICAR allocates the money to the certified past-due support if the offset is not rejected for some other reason.

**Working a Federal Offset Over-Collection**

**Legal reference:** 441 IAC 95.7(8)“b”

If you correct cases on the electronic rejected receipts lists (distributed in Microsoft Excel format) according to the previous instructions, and amounts are still due the obligor, you must notify the obligor of the over-collected amount and of the options available. The obligor may request the Unit either to:

- ◆ Refund the over-collection from the federal offset, or
- ◆ Apply the over-collection to the other support due.

Any over-collection must be returned to the obligor unless the obligor asks the Unit, in writing, to apply the funds to the other support due. You must return the money within 30 days of verifying the offset amount. Verification occurs when the Unit receives a collections file from OCSE containing the obligor’s name and the amount of the federal tax refund or federal administrative payment.

Complete and send forms 470-2082, *Federal Offset Refund Form*, and 470-2083, *Federal Offset Refund Form Cover Letter*, to the obligor.

- ◆ The *Federal Offset Refund Form* allows the obligor to ask us to either return the over-collection or apply the money to other support due. It also contains an agreement to repay the Unit if IRS or FMS requires repayment.
- ◆ The *Federal Offset Refund Form Cover Letter* explains that the obligor should sign the *Federal Offset Refund Form* in front of a notary public and return it within ten days to ensure timely and accurate processing of the over-collection.

You must send these forms to the obligor when refunding an overpayment for the current tax-processing year or a previous tax processing year. See 11-W, [SPECIAL ABSTRACTS AND REFUNDS](#), for procedures on processing the refund.

Set a calendar flag on the case for 20 days from the date on the *Federal Offset Refund Form* as a reminder to process the obligor's refund.

If the obligor returns a request to apply the over-collection to other support due, check the form for the obligor's signature. If the obligor signed the request, notify CSC of the request and file the document in the case file or image the form. CSC staff enters an override to allow ICAR to apply the money. If the obligor did not sign the request do not notify CSC. Instead, contact the obligor to give the obligor the option to sign the request.

At the end of 20 days, you must complete the steps to return the over-collection unless the obligor provided a signed request to apply the money to other support due. Get your supervisor's or other authorizing worker's approval by the Process Refund (PRREFUND) screen. ICAR issues a narrative FED49 to document the refund of an overpayment.

Complete the refund even if the obligor did not return the *Federal Offset Refund Form* or even if the returned form is not notarized. If the obligor returned the *Federal Offset Refund Form*, place it in the case file or image the form.

If the obligor did not return the *Federal Offset Refund Form*, or the post office returns the form as "undeliverable," note in the PRREFUND screen COMMENT field that you sent the *Federal Offset Refund Form* to the last known address of the obligor. Include in your comment the mailing date and state that the obligor has not signed or returned the form.

If the obligor returns the signed *Federal Offset Refund Form* after you submitted the request for a refund, but before the refund is processed, update the PRREFUND screen. If the obligor asks us to apply money to other support due, cancel the refund and notify CSC. Manually narrate the event and place the form in the case file or image the form.

If you receive the signed request to apply the over-collection after the refund process is complete, manually narrate the event and destroy the form.

**Note:** Regardless of whether the obligor has returned the *Federal Offset Refund Form*, CSC accounting staff processes and issues the payment when it receives the approved refund information from your authorizing worker.

ICAR certifies a past-due support obligation of \$1,000.00 for an account type 11. FMS offsets \$1,000.00 from the obligor's federal income tax refund and forwards it to ICAR.



During the time between the last certification update and receipt of the offset, the obligor's state income tax refund reduced the certified past-due support by \$200.00. Furthermore, the obligor accrued \$500.00 in past-due support after certification.

ICAR receives \$1,000.00 of the obligor's federal income tax refund. **Note:** Although the total past-due support exceeds the federal refund offset, the Unit may retain only \$800.00 of the offset (the unpaid portion of the certified past-due support).

The worker has the address of the obligor. The worker sends the obligor form 470-2082, *Federal Offset Refund Form*, to sign and return. The obligor signs the form and returns it to the local office within 25 days. The obligor does not request that CSC allocate the excess to the past-due support accrued since the Unit certified the case.

Result: After the worker receives form 470-2082 and the PRREFUND process is complete, CSC issues the excess \$200.00 to the obligor.

### **Adjustments to Federal Offset Receipts**

**Legal reference:** 31 CFR 285.3(g)

After ICAR receives an obligor's offset from FMS, several types of adjustments may change the amount of the offset allocated to past-due support on a case. ICAR displays the adjustment reason code on the PAYHIST screen and issues narrative FED52 documenting the adjustment. The adjustment reason codes include:

- ◆ **Reason code 22, IRS adjustment:** FMS returned the portion of the offset claimed by the injured spouse. An obligor who files separately, whether single, head of household, or married, also may file an amended tax return that adjusts the refund.
  - If the amended return increases the refund, the change does not affect the offset payment. However, the Unit may receive additional funds by federal tax offset.
  - If the amended return reduces the refund, the Unit must return to FMS the portion of the offset due as taxes.
- ◆ **Reason code T, transfer:** CSC accounting staff transferred the offset or a portion of the offset to another ICAR account.
- ◆ **Reason code D, offset returned to obligor:** All or a portion of the offset exceeded the certified past-due support. After receiving a refund request from the worker, CSC sends the obligor the amount of the overage.

### **Adjustments to PA Offset Allocations**

When the FMS notifies ICAR that an injured spouse has received the proportionate share of the joint return that the Unit allocated to a PA past-due support amount, ICAR adjusts the obligor's PA past-due support amount. See the distribution process for details about reviewing the BALANCE and PAYHIST screens that display payments and adjustments.

- ◆ **Adjustments from FMS:** FMS adjustments refer to injured spouse claims, amended returns, or other changes the IRS may make to an obligor's tax refund. FMS notifies ICAR when it has adjusted the offset that allocated to PA past-due support. ICAR automatically takes the entire amount of the adjustment from the PA past-due support.
- ◆ **Adjustments from transfers and offsets incorrectly applied:** When CSC staff transfer an adjustment to the correct account type or correct an incorrectly applied receipt, ICAR automatically adjusts the PA past-due support on the case improperly receiving the offset.
- ◆ **Adjustments from returning all or portion of offset to the obligor:** If the offset amount exceeds the certified past-due support, ICAR automatically takes the overage from the PA past-due support and sends a refund to the obligor in the amount of the overage.

### **Adjustments to NPA Offset Allocations**

Adjustments may be made to offsets allocated to an NPA past-due support amount in the following circumstances.

- ◆ **Adjustments from FMS:** The Unit returns the entire adjustment to FMS.
  - If the offset that allocated to NPA past-due support is still in hold, ICAR deducts the adjustment from the offset.
  - If ICAR issued a payment the obligee, the Unit requests that the obligee return the amount of the adjustment to the Unit. A debt is set up on tracking fees and costs. See the tracking fees and costs process. ICAR automatically adjusts the NPA past-due support amount.

- ◆ **Adjustments from transfers and offsets incorrectly applied:** The Unit credits the entire adjustment to the appropriate case or corrects its error.
  - If the offset that allocated to NPA past-due support is still in hold, ICAR deducts the adjustment from the offset.
  - If ICAR issued the payment to the obligee, the Unit requests that the obligee whose case incorrectly received the offset return the amount of the adjustment to the Unit. A debt is set up on tracking fees and costs. See the tracking fees and costs process. ICAR automatically adjusts the NPA past-due support amount.
- ◆ **Adjustments from returning all or portion of offset to obligor:** The Unit returns the entire adjustment to the obligor.
  - If the offset that allocated to NPA past-due support is still in hold, ICAR deducts the adjustment from the offset.
  - If ICAR issued the payment to the obligee, the Unit requests that the obligee return to the Unit the amount of the adjustment. A debt is set up on tracking fees and costs. See the tracking fees and costs process. ICAR automatically adjusts the NPA past-due support amount.

The Unit received a \$300 offset from the obligor's jointly filed return without a notification that the IRS processed an *Injured Spouse* form. The past-due support on the case is \$500 (all 12 account).

After the five-month hold period, ICAR issues a \$300 payment to obligee A.

A month after ICAR issues the payment, CSC transfers \$130 from obligee A's NPA case to one of the obligor's other cases. The amount of the adjustment (\$130) is less than the amount of the payment issued to obligee A (\$300).

**Results:** The Unit transfers \$130 to the proper case. CSC sets up a debt on Tracking Fees and Costs against obligee A to repay \$130.00 to the Unit.

## **Sending FED Refund Reports to the IRS**

**Legal reference:** 31 CFR285.3(g)

When you refund a FED payment to the obligor, ICAR electronically reports the refund to OCSE. In turn, OCSE reports refunded FED payments to the IRS. ICAR transmits this information electronically on a weekly basis. ICAR issues a narrative (FED110) to record the report. Reports are grouped by certification type (PA or NPA) and by the year the original offset occurred.

ICAR does not transmit a report to OCSE if there is a possibility that the social security number used in offsetting the federal tax refund is no longer the social security number displayed in the SSN field of the PAYOR screen. To make this determination, ICAR subtracts 45 days from the payment's RECEIPT CREDITED field on the PAYHIST screen.

If ICAR finds any XREF2 narratives on or after that calculated date, ICAR issues a narrative (FED111) and does not report the refund to OCSE. Instead, ICAR includes the refund on report S479J503, *Federal Offset State Payment Report*. The federal offset liaison researches those refunds to identify the correct social security number and then manually reports the refunds to OCSE.

Reports of the FED refunds prevent some adjustments to FED payments posted to ICAR. After an offset occurs, the IRS may need to reduce the amount of the FED payment because the amount of the tax refund changed. This may occur because:

- ◆ The IRS corrects an error in the way it processed the original return.
- ◆ An obligor or obligor's spouse files an amendment to a federal tax return.
- ◆ An obligor or an injured spouse files federal form 8379, *Injured Spouse Claim and Allocation*.

When deciding whether to reduce the amount of the FED payment, the IRS reviews the reports of refunded FED payments. If the IRS identifies that the Unit previously refunded the money to an obligor, the IRS will not issue additional funds to the obligor or the injured spouse because of the adjustment to the refund.

Instead, the IRS issues a letter to the obligor noting that the Unit previously paid the funds to the obligor. By doing this, the IRS avoids recollecting the offset funds from the Unit, which causes the Unit to recollect the funds from the obligor.

Obligors who receive this information from the IRS may contact you for an explanation. Provide the obligor with information about the original refund, including the date, amount, and circumstances of the refund. Do not refund additional money solely based on the IRS information. If the information in the IRS notice does not match the payment history and narratives on ICAR, contact the federal offset liaison for assistance.

## **APPEALS**

**Legal reference:** 45 CFR 303.72(e), (f) & (g)  
Iowa Code 17A, 239B.2, 252B.3, 252B.4, 252B.5  
441 IAC 95.7(8), 7.8(17A)

An obligor can appeal a federal offset or a passport sanction submission.

Obligors have the opportunity to appeal a federal offset at the time the offset occurs. FMS sends the *FMS Offset Notice* to the obligor that a federal tax refund or a federal administrative payment was intercepted and redirected for the payment of child support.

When ICAR receives the offset information from OCSE, ICAR automatically sends form 470/3684, *Appeal Rights for Federal Offsets*, to the obligor to explaining the obligor's appeal rights. The obligor has 15 calendar days from the date of either form to contest the offset action. The obligor must request the appeal in writing, sign the request, and include a copy of either the *FMS Offset Notice* or the *Appeal Rights for Federal Offsets* (if available).

Obligors have the opportunity to challenge a passport sanction at the time of the initial submission. Using the pre-offset notice, the Unit notifies the obligor of the right to challenge the submission for a passport sanction.

If an obligor challenges the passport sanction submission within ten calendar days of the pre-offset notice, the Unit conducts an administrative review of the passport sanction. See [ADMINISTRATIVE REVIEWS](#). After completing the administrative review, issue form 470-3422, *Notice of Decision Regarding Challenge to Passport Sanction*, to notify the obligor of the decision. The obligor has ten days from the date of the notice to request, in writing, an appeal of the decision.

**Note:** Challenges to passport sanction submissions and federal offsets are limited to mistake of fact. A “mistake of fact” means a mistake in the identity of the obligor or whether the past-due support meets the criteria for referral.

Should the obligor verbally state the intent to file an appeal, provide the obligor with form 470-0487, *Appeal and Request for Hearing*. If the obligor’s written request is not on this form, attach the written request to the form. See 1-E, [APPEALS AND HEARINGS](#).

The written appeal is considered filed on the postmarked date on the envelope sent to the Unit, or, when that date is not available, on the date the Unit receives and stamps the appeal. The Unit documents the receipt date of all appeals using the APPEAL REQ(T/A/P) field on the OFFSET screen.

**Note:** The Unit must refund any portion of the amount offset in error to the obligor within 30 days following the verification of the offset amount. Verification occurs when the Unit receives a collections file from OCSE containing the obligor’s name and the amount of the federal tax refund or federal administrative payment to which the obligor is entitled. See [Worker Actions to Return an Offset to Obligor](#) for a detailed description of the refund process.

### **Worker Responsibilities**

**Legal reference:** Iowa Code 17A, 252B.3, 252B.4  
441 IAC 7.8(17A)

Upon receipt of an appeal, you must do the following:

- ◆ Provide the obligor with information about the appeals process and copies of relevant documents.
- ◆ Accept the obligor’s written request for a hearing, or if the request is verbal, provide form 470-0487, *Appeal and Request for Hearing*, to the obligor.
- ◆ Complete Part II of the *Appeal and Request for Hearing*, and forward it to the Department of Human Services Appeals Section within one working day of receipt of the written request for an appeal. Attach the obligor’s hearing request if in the form of a letter or other written statement.

- ◆ Prepare and submit an appeals packet to the Department's Appeals Section within ten days of the obligor's written request for an appeal. See [Case Documentation](#).
- ◆ If the obligor requests the appeal be withdrawn before the hearing is held, notify the Department's liaison for appeals. Ask the obligor to sign form 470-0492, *Request Withdrawal of Appeal*, or to submit a letter of withdrawal to you or to the Department's Appeals Section.
- ◆ Forward any withdrawal request to the Appeals Section. The Appeals Section sends a written acknowledgment of the withdrawal in response.
- ◆ Participate in appeals hearings as a representative of the Unit.
- ◆ Take required actions within seven days of the final decision from the appeals process. Do not complete any action before the decision is finalized.
- ◆ Review the proposed decision and contact your supervisor immediately to request a review through the Appeals Advisory Committee if you feel the decision is incorrect.

### **Case Documentation**

**Legal reference:** 441 IAC 7.8(9)(b) and (c)  
Iowa Code 252B.5

Within ten calendar days of the appeal filing date, submit an appeals packet to the Department's Appeals Section or to the Department of Investigations and Appeals, as appropriate. This packet serves as supporting documentation of the factual basis for the offset. The summary must include the following information:

- ◆ A summary of facts, a list of attachments, and references to Iowa Code section 252B.5.
- ◆ A copy of support orders, including date, amount, frequency payable, date commencing, and number of children.
- ◆ Copies of all related decrees and modifications.
- ◆ A copy of any assignments of child support, if applicable, to the issue being appealed.
- ◆ A copy of any terminations of child support, if applicable, to the issue being appealed.
- ◆ A certified payment record.

- ◆ A full delinquency computation covering all orders applying to the case.
- ◆ Documentation of any administrative reviews conducted at the time of the federal pre-offset notice.
- ◆ A copy of the pre-offset notice, if available.
- ◆ A copy of the *FMS Offset Notice*, if available.

Send a copy of these materials to the appellant and appellant's representative (if one exists).

### **Pre-Hearing Conference**

**Legal reference:** 441 IAC 7.8(4)

When requesting an appeal, the obligor may also request a pre-hearing conference. This conference is not a hearing with a judge. The purpose of the conference is to exchange information. This conference is optional for the obligor and should not delay the appeal process.

Record whether the obligor requested a pre-hearing conference by entering a "Y" or an "N" in the CONFREQ (Y/N) field. ICAR issues a narrative (FED 74) to document the request for a pre-hearing conference.

In addition to you, the pre-hearing conference includes the obligor and the supervisor or lead worker of the office where the case is located. If the obligor has designated a representative, this person may also attend the pre-hearing conference. If the obligor requests additional information regarding the appeal, you or the supervisor should provide this information.

### **Hearing**

**Legal reference:** 441 IAC 95.7(8)(a), 96.7(4)(b), 7.10(217), 7.13(217), 7.16(217)

An administrative law judge for the Department of Investigations and Appeals conducts the hearing. Appeals regarding federal tax offset, federal administrative offset, and passport sanction are limited to a mistake of fact. A "mistake of fact" means a mistake in the identity of the obligor or whether the past-due support meets the criteria for referral.



The *Notice of Hearing* issued by the Department of Investigations and Appeals indicates if the hearing is to be conducted in person or by telephone. If the obligor requests that the hearing be in person, the notice identifies the location. If the hearing is conducted by telephone, provide your telephone number to the administrative law judge.

Record the date and time of the hearing in the HEARING field on the OFFSET screen. ICAR issues a narrative (FED75) to document the date and time of the hearing. If the hearing is later cancelled, ICAR issues a narrative (FED76) to document your removal of the entries and the cancellation of the hearing.

The appellant or appellant's representative may file exceptions, present briefs, and submit further written arguments or objections for considerations. See 1-E, [APPEALS PROCEDURES](#).

The worker assigned to the case must attend the hearing and offer testimony about issues related to the alleged mistake of fact. If asked about an issue not related to a mistake of fact, you must object to testifying about that issue.

However, if the administrative law judge overrules the objection, you must provide the information. If you are unable to provide the information, ask the administrative law judge to leave the record open so that the Unit can file additional information.

### **Reviewing the Proposed Decision**

After the hearing, the administrative law judge issues a proposed decision to the appellant, the appellant's representative, and the Department. Within ten days, the appellant, the appellant's representative, or the Department may appeal for the director's review of the proposed decision.

Immediately review the decision. If you believe the proposed decision issued is incorrect, contact your supervisor immediately to request a review through the Appeals Advisory Committee.

The Appeals Advisory Committee acts as an initial screening panel for the Department director. The committee may recommend that the director review a proposed decision. However, the director is not bound by the committee's recommendation.

The Unit's representative on the committee presents the Unit's objection to a proposed decision. If the Appeals Advisory Committee agrees, the committee forwards the proposed decision to the Department director for review.

In response to a timely review request from the appellant, the appellant's representative, or the Appeals Advisory Committee, the Director may overturn a proposed decision or allow it to stand. See 1-E, [APPEAL DECISION](#), for more information on the review of the proposed decision and the director's review.

**Note:** Do not implement the proposed decision from the administrative law judge, even if you agree with the proposed decision. Wait until the final decision is issued.

### **Implementing the Hearing Decision**

The Department's Appeals Section sends notification of the final appeal decision notification to the obligor and the Unit. Within seven calendar days of receipt of a copy of the final decision, you must take the actions required by the decision. If you are unclear about the directions contained within the decision, consult with your supervisor or attorney.

Enter the results of the appeal in the OUTCOME(S/D) field on the OFFSET screen. ICAR issues a narrative (FED77) to document the entry of "S." An entry of "S" ("Stands") means the hearing confirmed we submitted the correct amount. ICAR issues a narrative (FED79) to document the entry of a "D." An entry of "D" ("Delete") means the hearing found that the submission for federal offsets was in error.

### **Hearing Results on Federal Offset**

For the appeal of an offset:

- ◆ If the final appeal decision finds that no mistake of fact exists, no action is required. The obligor has 30 calendar days from the final appeal decision date to request a district court hearing.
- ◆ If the final appeal decision finds that a mistake of fact exists, correct ICAR following the instructions in the final decision. ICAR sends the correction at the next submittal.

### **Hearing Results on Passport Sanction**

For the appeal of a passport sanction:

- ◆ If the final appeal decision finds that no mistake of fact exists, the passport sanction stays in place. Send form 470-3422, *Notice of Decision Regarding Challenge to Passport Sanction*, to notify the obligor of this decision. The obligor has 30 calendar days from the final appeal decision date to request a district court hearing.
- ◆ If the final appeal decision finds that a mistake of fact exists, correct ICAR to withdraw the passport sanction. Send the *Notice of Decision Regarding Challenge to Passport Sanction* to notify the obligor of this action.

**Note:** In the case of a dire situation regarding a passport sanction (life or death, or other serious circumstances), immediately contact the passport sanction liaison. See [Releasing a Passport Sanction](#).

### **Obligor Continues to Contest Final Appeal Decision**

**Legal references:** 441 IAC 7.8(17A)

State law allows obligors to continue to challenge a federal offset or passport sanction submission beyond the 17A contested case hearing. If the obligor continues to assert a mistake of fact after the contested case hearing, the obligor may take the case to district court.

Be aware of the following points if an obligor requests a district court hearing:

- ◆ The obligor must file the petition and take the Department to court.
- ◆ The Attorney General's office notifies the appropriate staff member of the filing.
- ◆ If the district court judge finds a mistake of fact, correct ICAR following the instructions in the court decision. ICAR sends the correction to OCSE at the next submittal. If a passport sanction release is required, immediately notify the passport sanction liaison.
- ◆ If the district court judge finds no mistake of fact exists, the federal offsets and the passport sanction, if applicable, remain in place.

**NARRATIVES**

March 11, 2005

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**NARRATIVES**

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Process: **FED** Number: **1 (Issued only on cases before August 1998)**

Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 01, Invalid State Code

Screen:	Field:	Entry:	Flag:	Status:
BATCH			FED 2	

---

Process: **FED** Number: **2 (Issued only on cases before August 1998)**

Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 02, SSN Invalid.

Screen:	Field:	Entry:	Flag:	Status:
BATCH			FED 1	

---

Process: **FED** Number: **3 (Issued only on cases before August 1998)**

Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 03, Last Name Invalid or Blank.

Screen:	Field:	Entry:	Flag:	Status:
BATCH			FED 1	

---

Process: **FED** Number: **4 (Issued only on cases before August 1998)**

Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 04, First Name Blank.

Screen:	Field:	Entry:	Flag:	Status:
BATCH			FED 1	

---

Process: **FED** Number: **5 (Issued only on cases before August 1998)**

Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 05, Amount Invalid.

Screen:	Field:	Entry:	Flag:	Status:
BATCH			FED 2	

---

Process: **FED** Number: **6 (Issued only on cases before August 1998)**

Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 06, Duplicate Record.

Screen:	Field:	Entry:	Flag:	Status:
BATCH			FED 2	

---

---

Process: **FED** Number: **7 (Issued only on cases before August 1998)**

Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 09, Invalid Case Type.

Screen: Field: Entry: Flag: Status:  
BATCH FED 2

---

Process: **FED** Number: **8 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from test tape for federal tax offset certification. Error code 18, SSN Not On IRS Taxpayer Master File.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **9 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from test tape for federal tax offset certification. Error code 19, Last Name Does Not Match I.R.S. File For SSN.

Screen: Field: Entry: Flag: Status:  
BATCH FED 1

---

Process: **FED** Number: **10 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from test tape for federal tax offset certification. Error code 20, Invalid Combination of Name and SSN.

Screen: Field: Entry: Flag: Status:  
BATCH FED 1

---

Process: **FED** Number: **11 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from test tape for federal tax offset certification. Error code 21, Record Not Available.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **12 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from test tape for federal tax offset certification. Error code 27, Responsible Person Has Filed For Bankruptcy.

Screen: Field: Entry: Flag: Status:  
BATCH 3

---

Process: **FED** Number: **13 (Issued only on cases before August 1998)**

Text: Case certified for federal tax offset.

Screen: Field: Entry: Flag: Status:  
BATCH

---

**NARRATIVES**

March 11, 2005

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Process: **FED** Number: **14 (Issued only on cases before August 1998)**  
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 01, Invalid State Code.  
Screen: Field: Entry: Flag: Status:  
BATCH 3

---

Process: **FED** Number: **15 (Issued only on cases before August 1998)**  
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 02, SSN Invalid.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **16 (Issued only on cases before August 1998)**  
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 03, Last Name Invalid or Blank.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **17 (Issued only on cases before August 1998)**  
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 04, First Name Blank.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **18 (Issued only on cases before August 1998)**  
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 05, Amount Invalid.  
Screen: Field: Entry: Flag: Status:  
BATCH 4

---

Process: **FED** Number: **19 (Issued only on cases before August 1998)**  
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 06, Duplicate Record.  
Screen: Field: Entry: Flag: Status:  
BATCH 4

---

Process: **FED** Number: **20 (Issued only on cases before August 1998)**  
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 09, Invalid Case Type.  
Screen: Field: Entry: Flag: Status:  
BATCH 4

---

---

Process: **FED** Number: **21 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from federal tax offset certification. SSN not on IRS taxpayer master file.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **22 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from federal tax offset certification. Last name does not match I.R.S. file for SSN.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **23 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from federal tax offset certification. Invalid combination of name and SSN.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **24 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from federal tax offset certification. Record not available.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **25 (Issued only on cases before August 1998)**

Text: I.R.S. rejected case from federal tax offset certification. Responsible person has filed for bankruptcy.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **26 (Issued only on cases before August 1998)**

Text: Payor address received from IRS

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **27 (Issued only on cases before January 2000)**

Text: RIRS balance reduced from \$ \_\_\_\_\_.00 TO \$ \_\_\_\_\_.00 by ICAR for  
Process year \_\_\_\_\_.

Screen: Field: Entry: Flag: Status:  
RIRS System

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**NARRATIVES**

March 11, 2005

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Process: **FED** Number: **28 (Issued only on cases before January 2000)**  
Text: Case deleted from federal tax offset certification for process year \_\_\_\_\_; Status sent to payor.  
Screen: Field: Entry: Flag: Status:  
RIRS System

---

Process: **FED** Number: **29**  
Text: Fed tax offset has rejected from ICAR. Payor is bankrupt.  
Screen: Field: Entry: Flag: Status:  
BATCH FED16

---

Process: **FED** Number: **30 (Issued only on cases before January 2000)**  
Text: Joint federal tax offset applied \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **31**  
Text: Status report sent to custodial parent/caretaker (FED002), informing payee of interception of federal tax refund for offset.  
Screen: Field: Entry: Flag: Status:  
BATCH FED 2

---

Process: **FED** Number: **32**  
Text: Status report sent to custodial parent/caretaker (FED003), informing payee of interception of joint federal tax refund for offset.  
Screen: Field: Entry: Flag: Status:  
BATCH FED 3

---

Process: **FED** Number: **33**  
Text: Status report not issued to custodial parent/caretaker, no valid address FED002  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **34**  
Text: Status report not issued to custodial parent/caretaker, no valid address FED003  
Screen: Field: Entry: Flag: Status:  
BATCH

---



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Process: **FED** Number: **35 (Issued only on cases before January 2000)**

Text: Federal tax offset non-distributed, applied on \_\_\_\_\_.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **36 (Issued only on cases before January 2000)**

Text: Fed tax offset of \_\_\_\_\_ applied on \_\_\_\_\_.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **37**

Text: Fed tax offset has rejected from ICAR. No payor found for case.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **38**

Text: Fed tax offset has rejected from ICAR. Payor ID does not match case.

Screen: Field: Entry: Flag: Status:  
BATCH FED 10

---

Process: **FED** Number: **39**

Text: Fed tax offset has rejected from ICAR. No payee found for case.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **40**

Text: Fed tax offset has rejected from ICAR. Case is closed.

Screen: Field: Entry: Flag: Status:  
BATCH FED 11

---

Process: **FED** Number: **41**

Text: Fed tax offset has rejected from ICAR. No court order found for case.

Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **42**

Text: Fed tax offset has rejected from ICAR. No available obligation found for case.

Screen: Field: Entry: Flag: Status:  
BATCH

---

**NARRATIVES**

March 11, 2005

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Process:	<b>FED</b>	Number:	<b>43 (Issued only on cases before January 2000)</b>		
Text: Joint federal tax offset non-distributed, applied on _____.					
Screen:		Field:		Entry:	
BATCH					Flag: Status:

---

Process:	<b>FED</b>	Number:	<b>44</b>		
Text: Fed tax offset has rejected from ICAR. The case is inactive.					
Screen:		Field:		Entry:	
BATCH					Flag: Status:

---

Process:	<b>FED</b>	Number:	<b>45</b>		
Text: Fed tax offset has rejected from ICAR. The case has been redirected.					
Screen:		Field:		Entry:	
BATCH					Flag: Status:

---

Process:	<b>FED</b>	Number:	<b>46</b>		
Text: Fed tax offset has rejected from ICAR; no delinquency found for case (Batch 45).					
Screen:		Field:		Entry:	
BATCH					Flag: Status:

---

Process:	<b>FED</b>	Number:	<b>47 (Issued only on cases before August 1998)</b>		
Text: O.C.S.E. rejected case from test tape for federal tax offset certification. Transaction code 07, Invalid Type Code.					
Screen:		Field:		Entry:	
BATCH					Flag: Status:

---

Process:	<b>FED</b>	Number:	<b>48 (Issued only on cases before August 1998)</b>		
Text: O.C.S.E. rejected case from federal tax offset certification. Reason code 07, Invalid Type Code.					
Screen:		Field:		Entry:	
BATCH					Flag: Status:

---

Process:	<b>FED</b>	Number:	<b>49</b>		
Text: Federal tax offset overpaid account, returned to responsible person _____.					
Screen:		Field:		Entry:	
PRREFUND					Flag: Status:

---

---

Process: **FED** Number: **50**

Text: Fed tax offset has rejected from ICAR. A partial amount of the tax offset cannot apply to the case (Batch 45).

Screen: BATCH Field: Entry: Flag: FED 15 Status:

---

Process: **FED** Number: **51 (Issued only on cases before August 1998)**

Text: Case deleted from federal tax offset certification for process year \_\_\_\_\_. Status not sent to payor, no valid address.

Screen: BATCH Field: Entry: Flag: Status:

---

Process: **FED** Number: **52**

Text: IRS adjustment entered for \$ \_\_\_\_\_ against fed tax receipt \$ \_\_\_\_\_ dated \_\_\_\_\_.

Screen: BATCH Field: Entry: Flag: Status:

---

Process: **FED** Number: **53 (Issued only on cases before August 1998)**

Text: OCSE rejected case from test tape for federal tax offset certification. Transaction code 31, Invalid SSN.

Screen: BATCH Field: Entry: Flag: Status:

---

Process: **FED** Number: **54 (Issued only on cases before August 1998)**

Text: OCSE rejected case from production tape for federal tax offset certification. Transaction code 31, Invalid SSN.

Screen: BATCH Field: Entry: Flag: Status:

---

Process: **FED** Number: **55**

Text: Federal tax offset non-distributed, applied on \_\_\_\_\_.

Screen: BATCH Field: Entry: Flag: Status: FED 2

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Process: **FED** Number: **56 (Issued only on cases before January 2000)**

Text: Fed tax offset of \_\_\_\_\_ applied on \_\_\_\_\_.

Screen: BATCH Field: Entry: Flag: Status: FED 5

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**NARRATIVES**

March 11, 2005

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Process: **FED** Number: **57**  
Text: Joint federal tax offset non-distributed, applied on \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
BATCH FED 2

---

Process: **FED** Number: **58 (Issued only on cases before August 1998)**  
Text: Case deleted from federal tax offset certification for process year \_\_\_\_\_. Status not sent to payor; no valid address.  
Screen: Field: Entry: Flag: Status:  
RIRS System FED 4

---

Process: **FED** Number: **59 (Issued only on cases before January 2000)**  
Text: Joint fed tax offset of \_\_\_\_\_ applied on \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
BATCH FED 5

---

Process: **FED** Number: **60 (Issued only on cases before January 2000)**  
Text: Federal tax offset of \_\_\_\_\_ applied. Offset filed: \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **61 (Issued only on cases before January 2000)**  
Text: Federal tax offset applied. Administrative review initiated by \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **62 (Issued only on cases before January 2000)**  
Text: Federal tax offset of \_\_\_\_\_ applied against joint return. Offset filed: \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **63**  
Text: Case certified for the following federal enforcement tools: \_\_\_\_\_.  
PA balance: \$ \_\_\_\_\_  
NPA balance: \$ \_\_\_\_\_  
Screen: Field: Entry: Flag: Status:  
BATCH

---

---

Process: **FED** Number: **64**

Text: Case decertified for federal offsets and passport sanctions.

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

---

Process: **FED** Number: **65 (Never issued.)**

Text: This narrative is no longer in use.

Screen:	Field:	Entry:	Flag:	Status:

---

Process: **FED** Number: **66 (Never issued.)**

Text: Amounts certified for federal tax offset, administrative offset, and passport sanction were modified to comply with the appeal decision. Review the case in 90 days (ICAR set a calendar flag).

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

---

Process: **FED** Number: **67**

Text: The following federal actions were bypassed: \_\_\_\_\_.

The Unit may not use these enforcement tools because: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	BYPASS	“T,” “A,” or “P”	FED 17 FED 18 FED 19	

---

Process: **FED** Number: **68**

Text: The following federal actions are now valid enforcement tools: \_\_\_\_\_.

The Unit may now use these enforcement tools because: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	BYPASS	Removal of “T,” “A,” or “P”		

---

Process: **FED** Number: **69**

Text: The payor requested an administrative review of federal offsets in the State of \_\_\_\_\_. The date of the request and other explanations follow: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	TRANSFER	Any 2-letter state postal abbreviation.		

---

**NARRATIVES**

March 11, 2005

Process: **FED** Number: **70**

Text: CP requested an administrative review for the following federal enforcement tools:

\_\_\_\_\_.  
The reason given for this request was: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	REVIEW REQ(T/A/P)	“T,” “A,” or “P”	FED22	

Process: **FED** Number: **71**

Text: An administrative review of federal offsets is no longer needed for \_\_\_\_\_.

The reason is: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	REVIEW REQ(T/A/P)	Removal of “T,” “A,” or “P”	FED26	

Process: **FED** Number: **72**

Text: The NCP requested an appeals hearing for the following federal enforcement tools:

\_\_\_\_\_. The reason given for this request was: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	APPEAL REQ(T/A/P)	“T,” “A,” or “P”	FED21	

Process: **FED** Number: **73**

Text: An appeals hearing is no longer needed for the following federal enforcement tools:

\_\_\_\_\_. The reason is: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	APPEAL REQ(T/A/P)	Removal of any entry.	FED27	

Process: **FED** Number: **74**

Text: NCP requested an informal conference regarding the federal offset/passport sanctioning process.

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	CONF REQ(Y/N)	Y		

Process: **FED** Number: **75**

Text: An appeal hearing is scheduled for \_\_\_\_\_ at \_\_\_\_\_ for the \_\_\_\_\_ following federal enforcement tools: \_\_\_\_\_.

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	HEARING	Time and Date	FED20 FED24	

---

Process: **FED** Number: **76**

Text: The appeal hearing scheduled for \_\_\_\_\_ at \_\_\_\_\_ was cancelled. The reason for this is: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	HEARING	Removal time and date	FED29	

---

Process: **FED** Number: **77**

Text: The certification of this obligor to the federal government for fed offsets and/or passport sanction is accurate. No changes are needed. Reason: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	OUTCOME(S/D)	"S"		

---

Process: **FED** Number: **78 (Issued only on cases before November 2004)**

Text: After checking the details of this case, the amount certified to the federal government for fed offsets and/or passport sanction should be:

PA: \$ \_\_\_\_\_ and NPA: \$ \_\_\_\_\_ Reason: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	OUTCOME(S/D)	"M"		

---

Process: **FED** Number: **79**

Text: After checking the details of this case, this obligor should not be certified for federal offsets and/or passport sanction. The obligor will now be decertified. The reason is: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	OUTCOME(S/D)	"D"		

---

Process: **FED** Number: **80 (Issued only on cases before November 2004)**

Text: The PA certification amount for federal offsets/passport sanction was changed to: \$ \_\_\_\_\_ because: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	PA ADJ AMOUNT	Any whole number		

---

Process: **FED** Number: **81 (Issued only on cases before November 2004)**

Text: The NPA certification amount for federal offsets/passport sanction was changed to: \$ \_\_\_\_\_ because: \_\_\_\_\_

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	PA ADJ AMOUNT	Any whole number		

---

**NARRATIVES**

March 11, 2005

---

Process: **FED** Number: **82**  
Text: (No text in this narrative on ICAR.)  
Screen: Field: Entry: Flag: Status:  
**OFFSET** **BYPASS(T/A/P)** **Removal of the final entry** **FED23**

---

Process: **FED** Number: **83**  
Text: A federal administrative offset applied to this case on \_\_\_\_\_. The offset did not distribute. Worker received a calendar flag.  
Screen: Field: Entry: Flag: Status:  
**BATCH** **FED25**

---

Process: **FED** Number: **84**  
Text: An active IWO attached to an employer found. Obligor bypassed for federal salary offsets and federal retirement offsets.  
Screen: Field: Entry: Flag: Status:  
**BATCH**

---

Process: **FED** Number: **85**  
Text: There is no longer an active IWO attached to an employer. Obligor is now eligible for federal salary & federal retirement offsets.  
Screen: Field: Entry: Flag: Status:  
**BATCH**

---

Process: **FED** Number: **86**  
Text: The outcome entry on the offset screen was removed. This entry controlled certification for federal offsets and passport sanctions.  
Reason: \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
**OFFSET** **OUTCOME(S/D)** **Removal of any entry**

---

Process: **FED** Number: **87**  
Text: Federal offset/passport sanction certification error received from the federal office of child support enforcement: \_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
**BATCH**

---

Process: **FED** Number: **88**  
Text: (No text in this narrative on ICAR.)  
Screen: Field: Entry: Flag: Status:  
**OFFSET** **BYPASS(T/A/P)** **Removal of the final entry** **FED23**

---



---

Process: **FED** Number: **89**

Text: (No text in this narrative on ICAR.)

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	REVIEW REQ(T/A/P)	Removal of the final entry.	FED26	

---

Process: **FED** Number: **90**

Text: (No text in this narrative on ICAR.)

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	APPEAL REQ(T/A/P)	Removal of the final entry	FED27	

---

Process: **FED** Number: **91**

Text: The obligor's SSN no longer matches the SSN certified for federal offsets or passport sanctions. ICAR has decertified the old SSN and balance(s) for this case. The obligor will be recertified using the new SSN if the case still meets the required selection criteria.

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

---

Process: **FED** Number: **92 (Never issued.)**

Text: This case remains certified for federal administrative offsets and federal tax offsets. Whenever the obligor's balance is \$5000 or greater passport sanctions remain in effect.

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

---

Process: **FED** Number: **93 (Never issued.)**

Text: Obligor not submitted for federal offsets and passport sanction because the obligor's SSN is not yet verified.

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

---

Process: **FED** Number: **94**

Text: Applied federal income tax offset in the amount of \_\_\_\_\_.

The return was filed in tax year \_\_\_\_ (processing year \_\_\_\_).

The source of this offset is an individual federal income tax return.

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

**NARRATIVES**

March 11, 2005

---

Process: **FED** Number: **95**  
Text: Applied federal income tax offset in the amount of \_\_\_\_\_.  
The return was filed in tax year \_\_\_\_ (processing year \_\_\_\_).  
The source of this offset is a joint federal income tax return.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **96**  
Text: Form 470/3684, *Appeal Rights For Federal Offsets*, not generated as no address was found.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **97**  
Text: Form 470/3684, *Appeal Rights For Federal Offsets* generated on this case. Obligor has 15 days to request an appeal. The total amount of the offset is \$\_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
BATCH Batch

---

Process: **FED** Number: **98**  
Text: Form 470-3684, *Appeal Rights For Federal Offsets* generated on this case. Obligor has 15 days to request an appeal. The total amount of the offset is \$\_\_\_\_\_.  
Screen: Field: Entry: Flag: Status:  
OFFSET APPEAL NOTICE "Y" or "R"

---

Process: **FED** Number: **99**  
Text: Form 470-3684, *Appeal Rights For Federal Offsets* not generated on this case due to appeal in progress.  
Screen: Field: Entry: Flag: Status:  
OFFSET APPEAL NOTICE "R"

---

Process: **FED** Number: **100**  
Text: Form 470-2086, issued to set date, time, and place of administrative review of federal offset certification.  
Screen: Field: Entry: Flag: Status:  
OFFSET APPEAL REQ (T/A/P) Any entry of "T," "A," or "P"

---

March 11, 2005

---

Process: **FED** Number: **101**

Text: Form 470-2086, issued to report the result of the administrative review of federal offset certification.

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	OUTCOME(S/D)	Any entry of "S," "M," or "D"		

---

Process: **FED** Number: **102**

Text: Form 470-3422, issued to report the result of the administrative review with regard to passport sanction certification

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	OUTCOME(S/D)	Any entry of "S," "M," or "D"		

---

Process: **FED** Number: **103 (Never issued.)**

Text: Narrative not needed

Screen:	Field:	Entry:	Flag:	Status:
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---

Process: **FED** Number: **104**

Text: Notified of federal tax offset through CSENET.

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

---

Process: **FED** Number: **105**

Text: CSENET indicates a federal tax intercept has been processed in \_\_\_ for \$\_\_\_\_\_ on \_\_\_\_\_.

Screen:	Field:	Entry:	Flag:	Status:
BATCH				

---

Process: **FED** Number: **106**

Text: Form 470-2086, issued to set date, time, and place of appeal of federal offset.

Screen:	Field:	Entry:	Flag:	Status:
OFFSET	APPEAL REQ (T/A/P)	Any entry of "T," "A," or "P"		

---

**NARRATIVES**

March 11, 2005

---

Process: **FED** Number: **107**  
Text: Form 470-2086, issued to report the result of the appeal of federal offset.  
Screen: Field: Entry: Flag: Status:  
OFFSET OUTCOME(S/D) Any entry of "S," "M," or "D"

---

Process: **FED** Number: **108**  
Text: Status sent to state of \_\_\_ for federal tax offset.  
Screen: Field: Entry: Flag: Status:

---

Process: **FED** Number: **109**  
Text: New alias submitted for fed offsets, passport sanction, &/or MS-FIDM:  
\_\_\_\_\_  
First 4 characters of previous last name (alias): \_\_\_\_\_  
Screen: Field: Entry: Flag: Status:

---

Process: **FED** Number: **110**  
Text: Refund of federal tax offset reported to the federal government.  
Reported \$\_\_\_\_\_ for tax year \_\_\_\_ using SSN \_\_\_\_-\_\_-\_\_\_\_  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **111**  
Text: Refund of federal tax offset not reported to the federal government due to an SSN change after the offset.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

Process: **FED** Number: **112**  
Text: Applied federal income tax offset in the amount of \_\_\_\_\_.  
The return was filed in tax year \_\_\_\_ (processing year \_\_\_\_).  
The source of this offset is a joint federal income tax return.  
Note: Any NPA portion of this federal offset is eligible to disburse.  
After the period to request an appeal is ended & any appeals resolved.  
Screen: Field: Entry: Flag: Status:  
BATCH

---

---

**CALENDAR FLAGS**

---

Process: **FED** Number: **1** (**Issued only on cases before August 1998**)

Text: Review name/SSN of responsible person. Case rejected from test tape for federal tax offset certification.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH			FED2	
			FED3	
			FED4	
			FED9	
			FED10	

---

Process: **FED** Number: **2** (**Issued only on cases before August 1998**)

Text: Case rejected from test tape for federal tax offset certification due to certification problem.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH			FED1	
			FED5	
			FED6	
			FED7	

---

Process: **FED** Number: **3** (**Issued only on cases before August 1998**)

Text: Check bankruptcy status of responsible person. Case rejected from test tape for federal tax offset certification.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH			FED12	
			FED14	

---

Process: **FED** Number: **4** (**Issued only on cases before August 1998**)

Text: Case rejected from federal tax offset certification due to certification problem.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH			FED18	
			FED19	
			FED20	

---

Process: **FED** Number: **5**

Text: Payor Addr received from IRS attempt to verify.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH				

---

**CALENDAR FLAGS**

March 11, 2005

---

Process: **FED** Number: **6** (**Issued only on cases before August 1998**)  
Text: No acknowledgment to federal tax offset update submitted to O.C.S.E. on \_\_\_\_\_  
Screen: Field: Entry: Narrative: Status:  
BATCH

---

Process: **FED** Number: **7**  
Text: Apply or special abstract federal tax refund rejected  
Screen: Field: Entry: Narrative: Status:  
BATCH

---

Process: **FED** Number: **8**  
Text: Corrective action necessary to distribute federal tax offset received on \_\_\_\_\_  
Screen: Field: Entry: Narrative: Status:  
BATCH

---

Process: **FED** Number: **9**  
Text: Corrective action necessary to distribute joint federal tax offset received on \_\_\_\_\_  
Screen: Field: Entry: Narrative: Status:  
BATCH

---

Process: **FED** Number: **10**  
Text: Fed tax offset has rejected from ICAR. Payor ID does not match case.  
Screen: Field: Entry: Narrative: Status:  
BATCH FED38

---

Process: **FED** Number: **11**  
Text: Fed tax offset rejected from ICAR. Case is closed.  
Screen: Field: Entry: Narrative: Status:  
BATCH FED40

---

Process: **FED** Number: **12**  
Text: Fed tax offset rejected from ICAR. The case is inactive.  
Screen: Field: Entry: Narrative: Status:  
BATCH FED44

---

Process: **FED** Number: **13**  
Text: Fed tax offset has been rejected from ICAR. The case has been redirected.  
Screen: Field: Entry: Narrative: Status:  
BATCH FED45

---

March 11, 2005

---

Process: **FED** Number: **14**

Text: Fed tax offset has rejected from ICAR. No delinquency found for case (Batch 45).

Screen: Field: Entry: Narrative: Status:  
BATCH FED46

---

Process: **FED** Number: **15**

Text: Fed tax offset has rejected from ICAR. A partial amount of the tax offset cannot apply to the case (Batch 45).

Screen: Field: Entry: Narrative: Status:  
BATCH FED50

---

Process: **FED** Number: **16**

Text: Fed tax offset has rejected from ICAR. Payor is bankrupt.

Screen: Field: Entry: Narrative: Status:  
BATCH

---

Process: **FED** Number: **17**

Text: The case was bypassed 90 days ago for one or more federal enforcement tools (see offset screen). Check this case to see if the bypass should continue.

Screen: Field: Entry: Narrative: Status:  
OFFSET BYPASS(T/A/P) "T," "A," or "P" FED67

---

Process: **FED** Number: **18**

Text: The case was bypassed 180 days ago for one or more federal enforcement tools (see offset screen). Check this case to see if the bypass should continue.

Screen: Field: Entry: Narrative: Status:  
OFFSET BYPASS(T/A/P) "T," "A," or "P" FED67

---

Process: **FED** Number: **19**

Text: The case was bypassed 360 days ago for one or more federal enforcement tools (see offset screen). Check this case to see if the bypass should continue.

Screen: Field: Entry: Narrative: Status:  
OFFSET BYPASS(T/A/P) "T," "A," or "P" FED67

---

Process: **FED** Number: **20**

Text: 45 days have passed since the fed. offset/passport sanction appeal hearing. Please review the OUTCOME field on the OFFSET screen for the entry of the final decision.

Screen: Field: Entry: Narrative: Status:  
OFFSET HEARING Date and Time FED66

---

**CALENDAR FLAGS**

March 11, 2005

---

Process: **FED** Number: **21**

Text: 10 days have passed since the entry of the request for an appeal on the OFFSET screen. Today is the deadline to forward an appeals packet to the DHS appeals section.

Screen:	Field:	Entry:	Narrative:	Status:
OFFSET	APPEAL REQ(T/A/P)	“T,” “A,” or “P”	FED72	

---

Process: **FED** Number: **22**

Text: Record the time and date of the administrative review using a worker-entered narrative. Set a calendar flag for the date of the hearing.

Screen:	Field:	Entry:	Narrative:	Status:
OFFSET	REVIEW REQ(T/A/P)	“T,” “A,” or “P”	FED70	

---

Process: **FED** Number: **23**

Text: If this message appears, there is an error. This calendar flag should delete the bypass calendar flags.

Screen:	Field:	Entry:	Narrative:	Status:
OFFSET	BYPASS(T/A/P)		FED82 FED88	

---

Process: **FED** Number: **24**

Text: The appeal hearing for federal offset/passport sanctions is scheduled for today at \_\_\_\_\_

Screen:	Field:	Entry:	Narrative:	Status:
OFFSET	HEARING	Any date and time	FED75	

---

Process: **FED** Number: **25**

Text: A federal administrative offset was received but not distributed.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH			FED83	

---

Process: **FED** Number: **26**

Text: If this message appears, there is an error. This calendar flag should delete the admin. rev. calendar flag.

Screen:	Field:	Entry:	Narrative:	Status:
OFFSET	REVIEW REQ(T/A/P)	Removal of any entry	FED71 FED89	

---



March 11, 2005

---

Process: **FED** Number: **27**

Text: If this message appears, there is an error. This calendar flag should delete the appeal req. Calendar flag.

Screen:	Field:	Entry:	Narrative:	Status:
OFFSET	APPEAL REQ(T/A/P)	Removal of any entry	FED73 FED90	

---

Process: **FED** Number: **28**

Text: Federal offset/passport certification error received from federal OCSE:

Screen:	Field:	Entry:	Narrative:	Status:
BATCH			FED89	

---

Process: **FED** Number: **29**

Text: If this message appears, there is an error. This calendar flag should delete the app. hearing calendar flag.

Screen:	Field:	Entry:	Narrative:	Status:
OFFSET	HEARING	Removal time and date	FED76	

---

Process: **FED** Number: **30** (**Issued only on cases before November 2004**)

Text: Review the PA ADJ AMOUNT and NPA ADJ AMOUNT fields on the OFFSET screen. Balances certified to OCSE for federal offsets are less than the adjustment amount(s) listed.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH				

---

## **STATUSES**

---

Process: **FED** Number: **1** (**Issued only on cases before August 1998**)

Text: The child support recovery unit has removed your name from the federal tax offset certification process for tax processing year \_\_\_\_\_ for the case indicated above.

Screen:	Field:	Entry:	Narrative:	Status:
BATCH				

**STATUSES**

March 11, 2005

Process: **FED**      Number: **2**

Text: A federal tax refund due the responsible person named above has been intercepted to offset a delinquent child support obligation.

Any funds received shall be applied and distributed in accordance with state and federal law. If you or your children have ever received public assistance through the aid to dependent children or foster care programs, any amounts collected must first be used to satisfy any support debt due or assigned to the State of Iowa or any other state that provided this assistance.

Any remaining amounts shall be issued to you one month from the date the funds were received unless an appeal is in process.

Screen:      Field:      Entry:      Narrative:      Status:  
BATCH

Process: **FED**      Number: **3**

Text: A federal tax refund due the responsible person named above has been intercepted to offset a delinquent child support obligation.

Any funds received shall be applied and distributed in accordance to state and federal law. If you or your children have ever received public assistance through the aid to dependent children or foster care programs, any amounts collected must first be used to satisfy any support debt due or assigned to the State of Iowa or any other state that provided this assistance.

The remaining amounts shall be issued to you five (5) months from the date the funds were received unless an appeal is in process.

Screen:      Field:      Entry:      Narrative:      Status:  
BATCH

Process: **FED**      Number: **4 (Issued only on cases before August 1998)**

Text: This case has been deleted from federal tax offset certification for process year \_\_\_\_\_.

Screen:      Field:      Entry:      Narrative:      Status:  
BATCH      FED 58



# STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR  
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
KEVIN W. CONCANNON, DIRECTOR

March 11, 2005

## GENERAL LETTER NO. 11-J-1

ISSUED BY: Bureau of Collections,  
Division of Child Support Recovery, Case Management and Refugee Services

SUBJECT: Employees' Manual, Title 11, Chapter J, **FEDERAL OFFSETS AND PASSPORT SANCTIONS**, Title page, new; Contents (pages 1, 2, and 3), new; and pages 1 through 94, new.

### Summary

This chapter lists the policy and procedures for using federal tax offsets, federal administrative offsets, and passport sanctions to secure past-due and over-due support. The chapter:

- ◆ Explains ICAR's Federal Offset Processing (OFFSET) screen.
- ◆ Updates procedures on federal administrative offsets and passport sanctions.
- ◆ Explains system changes related to shift from yearly to continual submission and update of obligor information.
- ◆ Incorporates changes to the calculation of past-due support for submission.
- ◆ Explains procedures for the appeal of federal tax offsets, federal administrative offsets, and passport sanctions.
- ◆ Lists the narratives, calendar flags, and statuses.

Information from Chapter X-E, **SETOFF PROCEDURES FOR THE COLLECTION OF SUPPORT**, is incorporated into this chapter. Chapter X-E is being rescinded under a separate general letter.

### Effective Date

Upon receipt.

### Material Superseded

None.

### Additional Information

Refer questions about this general letter to your regional collections administrator.



# STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR  
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
KEVIN W. CONCANNON, DIRECTOR

April 8, 2005

## GENERAL LETTER NO. 11-J-2

ISSUED BY: Bureau of Collections, Division of Child Support, Case Management, and Refugee Services

SUBJECT: Employees' Manual, Title 11, Chapter J, **FEDERAL OFFSETS AND PASSPORT SANCTIONS**, page 46, revised.

### Summary

Chapter 11-J is revised to clarify that you do not need to manually generate and mail form 470-3684, *Appeal Rights for Federal Offset*, if an obligor contacts you after requesting an appeal of a federal offset.

### Effective Date

Upon receipt.

### Material Superseded

Remove from Employees' Manual, Title 11, Chapter J, page 46, dated March 11, 2005, and destroy it.

### Additional Information

Refer questions about this general letter to your regional collections administrator.



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
KEVIN W. CONCANNON, DIRECTOR

February 2, 2007

## GENERAL LETTER NO. 11-J-3

ISSUED BY: Bureau of Collections,  
Division of Child Support Recovery, Case Management, and Refugee Services

SUBJECT: Employees' Manual, Title 11, Chapter J, **FEDERAL OFFSETS AND  
PASSPORT SANCTIONS**, Contents (page 3), revised; and pages 59 through  
61, revised.

### Summary

This chapter is revised to describe an option for an obligor to use the overage from a federal tax offset to pay other support due.

### Effective Date

Upon receipt.

### Material Superseded

Remove the following pages from Employees' Manual, Title 11, Chapter J, and destroy them:

<u>Page</u>	<u>Date</u>
Contents (page 3)	March 11, 2005
59-61	March 11, 2005

### Additional Information

Refer questions about this general letter to your regional collections administrator.