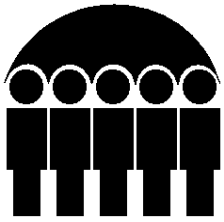
March 11, 2005

STATE OFFSETS



Iowa
Department
of
Human Services

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OVERVIEW

Legal reference: 45 CFR 303.102
441 IAC 95, 96, and 98

The Child Support Recovery Unit attempts to collect past-due support using electronic matching of an obligor's name and social security number with other state agencies. The Unit offsets amounts due an obligor by another agency. While the Unit selects and submits cases based on past-due support, any offset funds apply first to any current support due for the month and then to any past-due support.

This chapter covers the two state enforcement actions:

- Debtor payment offsets.
- State tax refund offsets.

DEBTOR OFFSETS AGAINST PAYMENT OWED TO AN OBLIGOR

Legal reference: Iowa Code Section 8A.504
441 IAC 98.81(252B)

The Child Support Recovery Unit obtains support by intercepting and offsetting a non-tax refund payment owed to an obligor by a state agency.

The Unit applies amounts offset from a debtor payment offset to any type of support obligation, e.g., child support, alimony, maintenance, or any other term that the court uses to describe a monetary support obligation.

The Unit uses the debtor offset process against non-tax-refund payments owed to an obligor by a state agency if the obligor is delinquent in making payments and owes at least $50 in support. The Unit can offset 50% of the total payment due to an obligor up to the amount of past-due support owed.

Exception: For lottery winnings, the Unit offsets 100% of the total payment due to an obligor up to the amount of past-due support owed.

1. An obligor fails to pay the monthly support obligation for several months, resulting in $800 in past-due support. The Unit submits the obligor for debtor offset. The state of Iowa owes a $600 non-tax refund payment to the obligor. Because of the submission for debtor offset, $300 of the payment (50%) is offset for payment of the support obligation.

2. An obligor fails to pay part of the monthly support obligation for two months, resulting in $400 in past-due support. The Unit submits the obligor for debtor offset. The state of Iowa owes a $1,000 non-tax refund payment to the obligor. Because of the submission for debtor offset, $400 of the payment is offset for payment of the support obligation. The Unit does not offset 50% of the payment ($500) because that amount exceeds the amount of past-due support owed.

3. An obligor fails to pay the monthly support obligation for several year, resulting in $23,000 in past-due support. The Unit submits the obligor for debtor offset. The obligor wins an Iowa Lottery prize of $10,000. Because of the submission for debtor offset, the entire $10,000 prize is offset for payment of the support obligation.

4. An obligor fails to pay the monthly support obligation for several years, resulting in $17,000 in past-due support. The Unit submits the obligor for debtor offset. The obligor wins an Iowa Lottery prize of $1,000,000. Because of the submission for debtor offset, $17,000 of the lottery prize is offset for payment of the support obligation. The Unit does not offset the remainder of the payment because that amount exceeds the amount of past-due support owed.

Case Selection

Legal reference: 441 IAC 98.81(1)

Each week, ICAR selects cases that meet the debtor offset criteria and provides a file to the Department of Administrative Services (DAS). The file consists of cases that meet the following criteria:

- The case status is active ("A" in the STATUS (A/I/C/D/H) field on the CASE screen).
- The obligor's social security number is verified and entered on ICAR.
- The BANKRUPTCY (Y/N) AND CHAPTER field on the PAYOR screen is blank.
- The GOOD CAUSE field on the PAYEE screen does not contain an "A" or "P."
- The obligor owes $50.00 or more in past-due support on a single case.

DAS matches the ICAR file against its database. Payments eligible for offset are made accessible to the Bureau of Collections debtor offset liaison through a secure Internet web site maintained by the Department of Revenue. DAS must also notify the Unit of the obligor's last known address.

Debtor Offset Procedure

Legal reference: 441 IAC 98.81(2), (4), and (5)

DAS notifies the debtor-offset liaison of potential offsets using a secure Internet web site. The notification contains the total payment due to an obligor. The debtor-offset liaison checks the web site for new payments eligible for offset on a daily basis and notifies DAS of any requested offsets.

When the debtor offset liaison identifies a payment on the web site, the debtor-offset liaison:

- Identifies the amount of the offset.
- Verifies that a bankruptcy proceeding is not currently in progress. The Unit cannot use debtor offset as an enforcement tool if the obligor is in the process of a bankruptcy proceeding.
- Enters the amount to be offset on the web site.
- Enters the offset information into the Manual Debtor Offset Tracking system.
- Determines the division of the offset funds, if the offset should apply to multiple cases.
- Narrates the amount of the offset and the amount applied to each case.
- Generates form 470-3172, *Notice of Debtor Payment Offset*, to the obligor whose payment is to be offset. This form identifies both the obligor's full payment due and the amount of the offset. If the obligor has multiple IV-D cases, the form contains all the case numbers submitted for offsets.
- Mails the *Notice of Debtor Payment Offset* using the address associated with the payment and sends copies of the form to the workers on the qualifying ICAR cases.
- Keeps a copy of the *Notice of Debtor Payment Offset* until the offsets occur or the money is released to the obligor.

Within three business days of claiming the funds using Department of Revenue's web site, DAS forwards the payments to the Collection Services Center (CSC). CSC holds the payments for a minimum of 15 days to ensure the obligor has an opportunity to appeal the offset.

If the obligor does not appeal the offset, CSC:

- Enters the payment into ICAR using a debtor offset payment (DOP) fund source.
- Generates form 470-3171, *Final Disposition of Debtor Offset Claim*, stating the amount applied and mails it to the obligor.
- Sends a copy of this form to the workers on the qualifying cases.
- Enters a narrative on the case to identify the amount collected through the debtor offset program.

The funds intercepted from the debtor offset program apply first to that month's current support obligation and then to any outstanding arrearages. See the distribution process for more information.

Appeal Procedure

If the obligor appeals the offset, the obligor's written appeal request is routed to the local office worker. Upon receipt of the appeal request, the local office worker contacts CSC to place the funds in hold until resolution of the appeal.

CSC does not enter the payment into ICAR until receiving additional notification from the worker handling the appeal. If the result of the appeal is that the offset is not valid, CSC refunds the money to the obligor. If the result of the appeal is that the offset is valid, CSC enters the payment into ICAR using a debtor offset payment (DOP) fund source and manually narrates the events.

Following an appeal, the local office worker generates and mails form 470-3172, *Notice of Debtor Payment Offset*. See **APPEAL PROCESS** for more information.

Payments Rejected or in Hold

If CSC applies a debtor offset payment to a case and there is no payee address and no valid electronic funds transfer in effect, the payment remains in "hold" status until an address is entered on the case or an electronic funds transfer is set up for the payee.

ICAR rejects a debtor offset payment applied to a closed or inactive case. When this happens, first check if the obligor has other active cases. If the obligor's other cases qualify for debtor offsets, take steps to transfer the funds to the obligor's other cases. Refer to the distribution process for more information on transfers.

If you cannot transfer all or part of the debtor offset payment, the Unit issues a refund to the obligor for the excess. See 11-W, ***SPECIAL ABSTRACTS AND REFUNDS***. **Note:** The excess must be refunded to the obligor within 30 days following the verification of the offset and balance amounts.

Special Procedures for Account Type 17 Cases

Although a case may have a current case account type of 17, it may also have a qualifying IV-D balance. The Unit can still process these cases for debtor offset. The procedure for handling debtor offsets on cases in account type 17 with IV-D balances is the same as for cases with IV-D account types.

If however, a case with account type 17 had a IV-D balance at the time of certification or at the time of the original offset, CSC still applies a debtor offset payment to the case even if the only remaining balance on the case is under account type 17.

STATE INCOME TAX REFUND OFFSET CERTIFICATION CRITERIA

Legal reference: 45 CFR 303.102
Iowa Code Sections 252B.5(4), 421.17(21)
441 IAC 95.6(252B)

The Child Support Recovery Unit obtains past-due support from the state income tax refund due an obligor for cases that meet the guidelines for certification, including FIP, foster care, interstate, and non-public assistance (NPA) cases.

The Unit applies amounts offset from a refund offset to any type of support obligation, e.g., child support, alimony, maintenance, or any other term that the court uses to describe a monetary support obligation.

The Unit offsets an obligor's state income tax refund when the obligor owes past-due child support. For the Unit to certify a case to DAS for state income tax refund offset, all of the following conditions must be true.

- The case status is active.
- The obligor's social security number is verified and entered on ICAR.
- The BANKRUPTCY (Y/N) AND CHAPTER field on the PAYOR screen does not contain "11" or "13" with a blank date or does not contain "11" or "13" with a date before October 17, 2005.
- The GOOD CAUSE field on the PAYEE screen does not contain "A" or "P."
- The obligor owes $50.00 or more in past-due support on the case. ICAR considers balances in all account types except 17 and 47.
- The obligor did not pay the entire amount of current support in each of the last 12 months.
- The obligor did not make payments that applied to past-due support in each of the last 12 months. This final condition does not apply to months where no past-due support was due.

Once ICAR determines a case meets these criteria, ICAR issues a narrative (STT1) to document this event. When a case no longer meets the criteria for offset, ICAR issues a different narrative (STT2).

Note: DAS does not offset the obligor's state income tax refund if the amount of the refund is less than $10.00.

SUBMISSION AND MATCHING

Legal reference: 45 CFR 303.102
Iowa Code Sections 252.B.5(4), 421.17(21)
441 IAC 95.6(1)

Each weekend, ICAR electronically provides a file of the names and the social security numbers of obligors eligible for state tax offset to DAS.

DAS matches the most recent file provided by the Unit against its refund file. DAS's matching process occurs on an ongoing basis and uses the social security number to match obligors to state income tax refunds. When multiple state agencies submit amounts for offset to DAS, only state tax debts take priority over amounts due for child support.

Note: ICAR does not provide a new file during a week when the scheduled run date of the program falls within the first five calendar days of the month or the last day of the month. Instead, DAS uses the file submitted during the previous week. This helps ensure that income withholding payments withheld during the prior month are added to the case before the first state tax run of the month.

The selection program for state tax offsets runs on Saturday, June 26, and ICAR transmits the resulting file to DAS. On June 26, the only support the obligor owes is $2000 for June. The obligor does not owe any past-due support. Therefore, the obligor is not selected for state tax offsets.

On Wednesday, June 30, an employer withholds a payment from the obligor's wages based on an income withholding order. The amount withheld is equal to the remaining amount of support owed in June. The employer notes on the payment that the amount was withheld on June 30 and mails the payment to CSC on July 1.

CSC does not receive the payment until July 5. On July 5, CSC posts the payment to the obligor's case with a credited date of June 30. ICAR allocates the payment to June's support. Until the payment is posted on July 5, the case displayed $200 in past-due support for June.

If the selection program were to run during the weekend of July 3, the June 30 payment would not yet display on the obligor's case. Because the program run date would be July, any unpaid support for June would be considered past due. Therefore, the obligor would be selected for state tax offsets for having more than $500 of past due support owing and for not making a payments that paid current support in full plus any delinquency in each of the prior 12 months.

To avoid this, ICAR does not run the state tax selection program during the weekend of July 3. DAS continues to use the June 26 file to match with its refund file until ICAR transmits a new file during the weekend of July 10. This prevents the case from being submitted when payments were withheld during the previous month and not yet credited to the case.

The offsetting of state tax refunds for payment of child support is a coordinated effort between DAS and the Department of Human Services. DAS is responsible for matching tax refund information to information provided by the Unit, posting that information to the State Offset System screens, issuing released funds to the obligor, and forwarding any offset funds to CSC. ICAR automatically issues notices to the obligor.

The workers within the Unit:

- Respond to inquiries from the obligor.
- Verify the validity of a challenged offset.
- Prepare appeal packets as needed.
- Attend appeal hearings.
- Issue some notices.
- Refund the offset posted to ICAR using the refund process if an offset occurs in error. See 11-W, ***SPECIAL ABSTRACTS AND REFUNDS***.

Pre-Offset Notices

Legal reference: Iowa Code sections 252B.5(4) and 421.17(21)
441 IAC 96.5(2)
45 CFR 303.102

When DAS matches a qualifying obligor's social security number to a potential tax refund, it posts the information to the Department of Revenue's State Offset System (OFFS). This system exists outside of ICAR and transmits information from DAS to ICAR.

When notified by DAS that a qualifying obligor is entitled to a state income tax refund, ICAR generates a pre-offset notice at a central location on form 470-0198, *Notice of State Tax Refund Offset*. The Department's mailing service mails the notice to the obligor at the address provided by DAS. ICAR issues a narrative (STT3) to document this event.

The pre-offset notice informs the obligor of:

- The amount of the refund.
- The legal basis for the offset.
- The obligor's opportunity to request a division of a joint income tax refund for the non-obligated spouse within 15 calendar days after the mailing of the pre-offset notice.
- The obligor's opportunity to give written notice of intent to contest the claim within 15 calendar days after the mailing of the pre-offset notice. See **APPEAL PROCESS** for more information.

  Note: The first day after the date of the pre-offset notice is the first day of the 15 day timeframe.

- The fact that failure to contest the offset is a final offset by default.
- The worker's name and address.
- The telephone number of the Specialized Customer Service Unit (SCSU) the obligor can contact for questions or for information on filing an appeal.

The Department's mailing service sends the worker a copy of the pre-offset notice to be filed in the case file or imaged.

When an obligor has multiple cases, only two workers' names appear at the bottom of the pre-offset notice due to limited space. A number in the lower right corner of the pre-offset notice indicates the number of cases for this obligor. The first worker listed receives the pre-offset notice and shall send a copy to any other worker that requests one, within two working days of the request.

If the worker determines the offset should not take place, the worker notifies DAS using the OFFS to issue the refund to the obligor. See **The OFFS System**.

Note: When the notice is returned due to a bad address and no other verified address is available, the local office retains the original pre-offset notice and the date-stamped envelope in the case file. Workers also narrate the return of the pre-offset notice.

The OFFS System

Only authorized workers may use the OFFS system. OFFS displays the basic information needed for state tax offsets and allows authorized workers to:

- Obtain the amount available for offset, the address used for the tax return, the tax period of the return, and the social security number of any joint filer.
- Offset the full amount of a refund.
- Offset a portion of a refund.
- Hold a potential offset subject to appeal.
- Release the tax refund amount if an offset proves to be inappropriate.

Note: OFFS displays and processes offset and tax refund amounts in whole dollar amounts only.

To enter OFFS, complete the following steps in the order listed below.

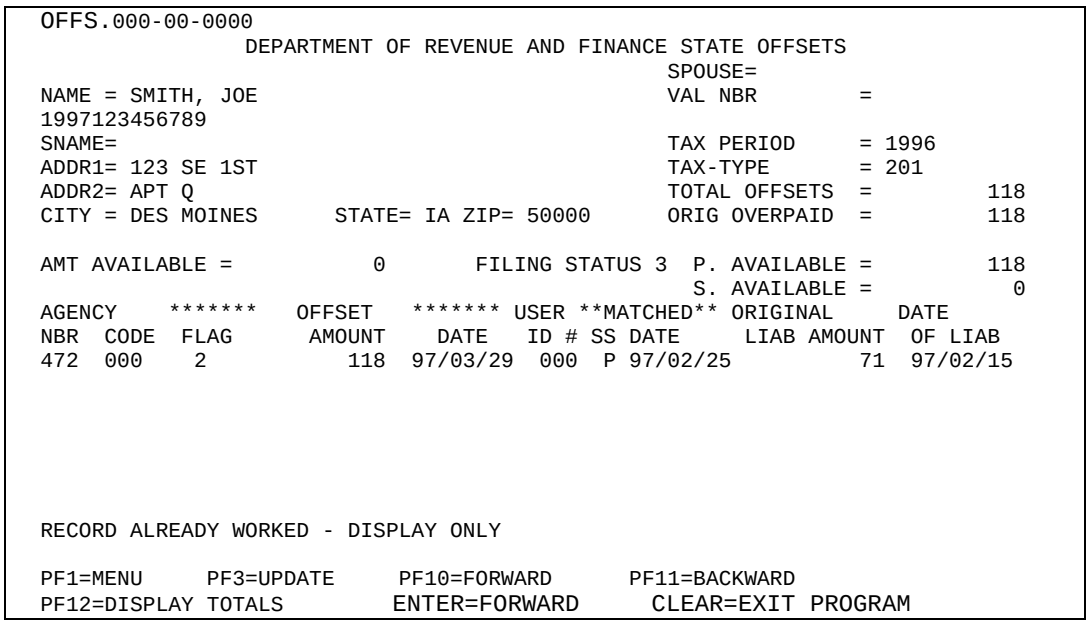
- Note the obligor's social security number.
- Exit ICAR by typing "QUIT" in the NEXT SCREEN field.
- Type "OFFS" on the blank NES screen and press the ENTER key. OFFS displays the WELCOME TO OFFS screen.

```
                              W E L C O M E   T O
                                   O F F S


$$   W A R N I N G   C O N F I D E N T I A L   -   FEDERAL AND STATE DATA    $$
$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$
$$  THIS PROGRAM CONTAINS FEDERAL TAX INFORMATION THAT MUST BE SAFEGUARDED.  $$
$$  UNAUTHORIZED ACCESS, INSPECTION, AND/OR DISCLOSURE OF FEDERAL TAX        $$
$$  INFORMATION ARE FEDERAL CRIMINAL AND CIVIL VIOLATIONS AND SUBJECT TO     $$
$$  THE PENALTIES SET FORTH IN INTERNAL REVENUE CODE SECTIONS 7213, 7213A,   $$
$$  AND 7431.                                                                $$
$$                                                                           $$
$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$


                                                    PRESS ENTER TO CONTINUE...
```

- Read the confidentiality message, and then press the ENTER key. OFFS displays the OFFS MENU screen.

```
 OFFS.
                  DEPARTMENT OF REVENUE AND FINANCE STATE OFFSETS

                               OFFSET MENU SCREEN

       THE STATE OFFSET SYSTEM CAN DISPLAY RECORDS BY SOCIAL SECURITY
       NUMBER OR BY FEDERAL IDENTIFICATION (FIN) NUMBER.

       TO DISPLAY A RECORD, TYPE IN A NUMBER IN THE FOLLOWING KEY FORMAT:

                     SOCIAL SECURITY NUMBER = 000-00-0000
                          FEDERAL ID NUMBER = 00-0000000

       PF1          = RETURN TO THIS SCREEN
       PF3          = UPDATE RECORD WITH THE FIELDS UPDATED ON THE SCREEN
       PF10/ENTER   = DISPLAY THE NEXT RECORD FOR THE SAME KEY, OR
                      RE-DISPLAY THE RECORD IF ITS THE LAST RECORD FOR THE KEY.
       PF11         = DISPLAY THE PREVIOUS RECORD FOR THE SAME KEY, OR
                      RE-DISPLAY THE RECORD IF ITS THE FIRST RECORD FOR THE KEY.
       PF12         = DISPLAY THE FILE TOTALS
       CLEAR        = EXIT THE OFFS. PROGRAM

  PF1=MENU     PF3=UPDATE     PF10=FORWARD      PF11=BACKWARD
  PF12=DISPLAY TOTALS        ENTER=FORWARD     CLEAR=EXIT PROGRAM
```

- Use your mouse or arrow keys to place the cursor in the space after "OFFS." in the upper left corner if the cursor is not already there.
- Type the obligor's social security number in the 000-00-0000 format immediately following the "OFFS." text and press the ENTER key. OFFS displays the most recent OFFS screen matching the social security number. If OFFS does not find a record for the social security number, it displays the message, "RECORD NOT FOUND."



```
OFFS.000-00-0000
               DEPARTMENT OF REVENUE AND FINANCE STATE OFFSETS
                                                  SPOUSE=
NAME = SMITH, JOE                                 VAL NBR        =
1997123456789
SNAME=                                            TAX PERIOD     = 1996
ADDR1= 123 SE 1ST                                 TAX-TYPE       = 201
ADDR2= APT Q                                      TOTAL OFFSETS  =         118
CITY = DES MOINES      STATE= IA ZIP= 50000       ORIG OVERPAID  =         118

AMT AVAILABLE =           0       FILING STATUS 3  P. AVAILABLE =         118
                                                   S. AVAILABLE =           0
AGENCY    *******   OFFSET   ******* USER **MATCHED** ORIGINAL     DATE
NBR  CODE  FLAG      AMOUNT    DATE   ID # SS DATE     LIAB AMOUNT  OF LIAB
472  000    2           118  97/03/29  000  P 97/02/25          71  97/02/15









RECORD ALREADY WORKED - DISPLAY ONLY

PF1=MENU     PF3=UPDATE     PF10=FORWARD      PF11=BACKWARD
PF12=DISPLAY TOTALS        ENTER=FORWARD      CLEAR=EXIT PROGRAM
```

To exit OFFS, press the PAUSE/BREAK key. The mainframe displays the message "SESSION WITH OFFS IS ENDED." Press the PAUSE/BREAK key again, and then type "ICAR" to resume your ICAR session.

Field descriptions and values on the OFFS screen are:

- **SPOUSE**: OFFS displays the social security number of the person listed as the secondary filer (spouse) on the state tax return. The social security number displays as nine digits without dashes.
- **NAME**: OFFS displays the name of the person listed as the primary filer on the state tax return in last name, first name format. The information for this field comes from the filer's state tax return.

- **VAL NBR**: OFFS displays a 13-digit tracking number assigned by the Department of Revenue. The first four digits match the year the Department of Revenue processed the tax return. The remaining digits allow the Department of Revenue and DAS to match the offset to the tax return.
- **SNAME**: OFFS displays the name of the person listed as the secondary filer (spouse) on the state tax return. The information for this field comes from the filer's state tax return.
- **TAX PERIOD**: OFFS displays the tax year associated with the state tax refund. For example, if in March 2004, a person filed a late state tax return for earnings in 2002, this field displays "2002."
- **ADDR1**: OFFS displays the first line of the tax filer's address as entered on the filer's state tax return.
- **TAX TYPE**: OFFS displays a three-digit code that represents the type of tax refund being offset. Code "201" represents a state income tax refund. If you need information about other codes that display for an offset, contact the Bureau of Collections state tax liaison.
- **ADDR2**: OFFS displays the second line of the tax filer's address as entered on the filer's state tax return.
- **TOTAL OFFSETS**: OFFS displays, in whole dollars, the amount of the state tax refund to be offset. Initially, this amount is zero. After a Unit worker or OFFS updates the screen's information to offset a refund, the amount of the state tax refund offset displays in this field. This amount is the same amount ICAR later applies to the obligor's cases.
- **CITY**: OFFS displays the city of the tax filer's address as entered on the filer's state tax return.
- **STATE**: OFFS displays the state of the tax filer's address as entered on the filer's state tax return.
- **ZIP**: OFFS displays the ZIP Code of the tax filer's address as entered on the filer's state tax return.

- **ORIG OVERPAID**: OFFS displays the original amount of the state refund in whole dollars available for offset. If the refund results from a joint tax return, the amount displayed is a combination of any refund due to both people on the return.
- **AMT AVAILABLE**: OFFS displays the portion of the refund in whole dollars attributed to the person whose social security number matched the social security number submitted by the Unit. For a joint tax return, the total amount of the refund displays. If updated by the worker, OFFS reduces the amount displayed by any amount entered in the OFFSET AMOUNT field.
- **FILING STATUS**: OFFS displays a one-digit code to represent the type of tax return filed. The codes for this field are:

  1 Individual tax return
  2 Joint tax return (married, filing jointly)
  3 Married, filing separately on this combined tax return
  4 Head of household return

- **P. AVAILABLE**: OFFS displays the amount of the refund in whole dollars attributable to the income of the person designated as the primary filer on the state tax return. OFFS displays this field and its contents only when the FILING STATUS field entry is "3."
- **S. AVAILABLE**: OFFS displays the amount of the refund in whole dollars attributable to the income of the person designated as the secondary filer (spouse) on the state tax return. OFFS displays this field and its contents only when the FILING STATUS field entry is "3."
- **NBR**: In this field of the AGENCY section, OFFS displays a three-digit number that represents the department that requested the offset. The number "472" represents the Department. If you need information about other codes that display for an offset, contact the state tax liaison.
- **CODE**: In this field of the AGENCY section, OFFS displays a three-digit number that designates which agency within a department requested the offset. An agency code of "000" following an agency number of "472" represents the Bureau of Collections. If you need information about another code that displays for an offset, contact the state tax liaison.

- **FLAG**: ICAR, OFFS, or the worker enters a single-digit code to indicate the status of the offset. Valid entries include:

  0 The refund is un-worked. OFFS enters "0" when it matches a refund to an obligor submitted by the Unit. Authorized workers may update this field with "1," "2," or "3." ICAR and OFFS may update the field with "1" or "2." See **Working a Potential State Tax Offset**.

  1 The refund was released to the obligor or another state agency and was not offset for payment of support. Authorized workers, ICAR, and OFFS may enter a "1." When entering a "1," you must also update the OFFSET AMOUNT field with "00" and clear the remaining characters in the field. When a "1" displays, you can no longer update the screen.

  Note: An entry of "1" does not prevent other state programs from offsetting the funds. For example, an offset released by the Unit may be offset for the repayment of delinquent student loans or to recover inappropriate Family Investment Program payments.

  2 The Unit claimed the refund for offset. Authorized workers and ICAR may enter code "2." When entering a "2," a worker must also update the OFFSET AMOUNT field with the amount of the offset. When a "2" displays, workers are no longer able to update the screen.

  3 The refund is in hold status. OFFS does not release an intercepted amount to the tax filer, to other state agencies, or to the Unit while a "3" displays in this field.

  Only authorized workers may enter code "3." Refunds may be placed in hold status only due to an appeal or while researching a question regarding the validity of the intercept.

  When a "3" displays, you may update the OFFS with an entry of "1" to release the refund to the obligor or "2" to offset all or part of the refund for the payment of support.

- **OFFSET AMOUNT**: OFFS, ICAR, or the worker enters the amount of the offset in whole dollar amounts. The amount may not exceed the value displayed in the AMT AVAILABLE field.

  If you enter "00" in this field, the OFFSET system also requires an entry of "1" in the FLAG field. If you enter an amount greater than zero, OFFS requires an entry of "2" in the FLAG field. See **Manual Entries to Offset a State Tax Refund**.

- **DATE**: OFFS displays the date the worker, ICAR, or OFFS last updated the FLAG and OFFSET AMOUNT fields, in the YY/MM/DD format.
- **USER ID #**: OFFS displays a three-digit number to indicate the source of the last update to the FLAG and OFFSET AMOUNT fields. The entry "000" indicates that OFFS or ICAR made the last update. If you update the FLAG and OFFSET AMOUNT fields, OFFS displays the last three digits of your mainframe sign-on ID. For example, if your sign-on ID of "DSS1234," OFFS displays "234" in this field.
- **SS**: OFFS displays a single letter to indicate which filer's portion of the tax refund is subject to offset. OFFS displays a "P" when it matched the primary filer's social security number. OFFS displays an "S" when it matched the secondary filer's social security number.
- **MATCHED DATE**: OFFS displays the date it originally identified the refund as a potential offset, in the YY/DD/MM format.
- **ORIGINAL LIAB AMOUNT**: OFFS displays the last amount submitted for offset by ICAR before the match occurred, in whole dollars.
- **DATE OF LIAB**: In this display-only field, OFFS displays the date ICAR submitted the amount shown in the ORIGINAL LIAB AMOUNT field.

Function keys on the OFFS screen are:

PF1=MENU	Use the PF1 key to return to the OFFS MENU screen.
PF3=UPDATE	Use the PF3 key to update the OFFS screen after making entries in the FLAG and OFFSET AMOUNT fields.
PF10=FORWARD	Use the PF10 key to move to the next OFFS screen for the social security number displayed in the upper left corner of the screen. OFFS stores information from newest to oldest. Pressing the PF10 key on the last OFFS screen for a social security number ends your OFFS session.
PF11=BACKWARD	Use the PF11 key to move to the previous OFFS screen for the social security number displayed in the upper left corner of the screen. OFFS stores information from newest to oldest.
PF12=DISPLAY TOTALS	Use the PF12 key to display totals for the state tax offset program.

ENTER=FORWARD	Use the ENTER key to move to the next OFFS screen for the social security number displayed in the upper left corner of the screen. OFFS stores information from newest to oldest. Pressing the ENTER key on the last OFFS screen for a social security number ends your OFFS session. Additionally, use the ENTER key to display a new OFFS screen after entering a new social security number in the upper left corner of the screen.
CLEAR=EXIT PROGRAM	Use the CLEAR key to exit OFFS. Your keyboard may display the label "PAUSE" or "BREAK" instead of "CLEAR."

Working a Potential State Tax Offset

Once DAS matches an obligor with a state tax refund, the OFFS system offsets the refund and transmits it to ICAR or to release the refund unless a worker or ICAR intervenes.

Automated Entries to Offset a Refund

In most situations, the state tax offset process is completely automated and requires no worker intervention. ICAR notifies OFFS to update the FLAG field automatically 21 calendar days after the issued date of the pre-offset notice.

If the case still qualifies for offset, OFFS updates the FLAG field with a "2" and the OFFSET AMOUNT field with the amount displayed in the AMT AVAILABLE field. If a case continues to qualify for state tax offsets even after an offset occurs, ICAR issues a narrative (STT36) to document that the obligor remains eligible for offset.

Automated Entries to Release a State Tax Refund

OFFS automatically releases a state tax refund to the tax filer in two situations:

- If during the 21 days following the issuance date of the pre-offset notice ICAR determines the obligor no longer qualifies for state tax offset, ICAR notifies OFFS to release the refund. ICAR issues a narrative (STT2) documenting the release.
- If OFFS displays "0" in the flag field 45 days after the match (refund not worked), OFFS automatically releases the refund.

In either instance, ICAR or OFFS enters "1" in the FLAG field of the OFFS screen to initiate the release and enters "000" in the USER ID# field to note that OFFS released the payment.

Manual Entries to Offset a State Tax Refund

To manually offset a refund in hold status:

- Enter OFFS.
- Enter the tax filer's social security number in the 000-00-0000 format, including the dashes, immediately following the "OFFS." text. Press the ENTER key.
- If the correct screen does not display, use the PF10 or PF11 key to scroll through the OFFS screens until you reach the screen that contains the potential offset.
- Enter "2" in the FLAG field. At the same time, enter the amount of the offset in the OFFSET AMOUNT field in whole dollar amounts. The amount entered may not be greater than the amount in the AMT AVAILABLE field. The amount also may not be greater than the amount owed by the obligor.

  Note: When manually offsetting a refund following the division of a joint tax return, do not enter an amount greater than the obligor's portion of the refund. See **Division of a Joint State Income Tax Return**.
- Press the PF3 key to update the record.

Near the end of the month, OFFS notifies ICAR of the update. Upon notification, ICAR issues a narrative (STT9) documenting the update of the OFFS screen.

Once you update the OFFS screen with an entry of "2," OFFS no longer allows further updates. If you attempt more updates, OFFS records the attempts. OFFS notifies ICAR monthly of additional attempts and ICAR narrates them (STT13).

If you offset a refund by manual entries, you do not need to manually generate form 470-0199, *Final Disposition of Support Recovery Claim*. ICAR issues the form when applying the payment to the obligor's case. See **Final Disposition Letter**.

Manual Entries to Release a State Tax Refund

If, during the course of reviewing a case, you find that a state tax offset is no longer appropriate, take the following actions:

- Verify that the release is appropriate for all the obligor's cases. If one of the obligor's cases does not qualify, the obligor may have other cases eligible for the offset. If so, do not proceed with the release.
- Enter OFFS.
- Enter the tax filer's social security number in the 000-00-0000 format, including the dashes, immediately following the "OFFS." text. Press the ENTER key.
- If the correct screen does not display, use the PF10 or PF11 key to scroll through the OFFS screens until you reach the screen that contains the potential offset.
- Enter "1" in the FLAG field and "00" in the OFFSET AMOUNT field.
- Press the PF3 key to update the record.
- Exit OFFS.

Once you update the OFFS screen with an entry of "1," OFFS no longer allows further updates. Upon notification, ICAR issues a narrative (STT7) documenting the update. If you attempt more updates, OFFS records the attempts. OFFS notifies ICAR monthly of these additional attempts and ICAR narrates them (STT13).

If you manually release the entire refund, you must also manually generate form 470-0199, *Final Disposition of Support Recovery Claim,* from the FORMLIST screen and narrate these actions. See **Final Disposition Letter**.

After you manually release all or part of the refund, DAS matches the amount released against debts submitted by other state or county agencies. DAS offsets any amounts owed to those agencies and issues the remainder to the obligor. Because of these additional matches, DAS may take up to three weeks to issue the payment to the obligor.

Manual Entries to Place a State Tax Refund in Hold Status

If a tax filer challenges the offset of a state tax refund or you need additional time to review the appropriateness of an offset, take the following actions:

- Enter OFFS.
- Enter the tax filer's social security number in the 000-00-0000 format, including the dashes, immediately following the "OFFS." text. Press the ENTER key.
- If the appropriate screen does not display, use PF10 or PF11 to scroll through the OFFS screens until you reach the screen that contains the potential offset.
- Enter "3" in the FLAG field.
- Enter "00" in the OFFSET AMOUNT field.
- Press the PF3 key to update the record.
- Exit OFFS.

An OFFS screen with a "3" in the FLAG field prevents DAS from forwarding funds to the Unit and from sending the refund to the tax filer. Authorized workers may later enter "1" or "2" to release or offset the refund.

Periodically, DAS provides the state tax liaison with a listing of refunds in hold status for an extended period. The state tax liaison notifies the worker for the ICAR case to review the validity of the entry and to reply to the state tax liaison.

You must decide whether the existing hold status is valid (because an ongoing appeal or investigation is underway). If the existing hold status is no longer valid, immediately act to release the refund to the tax filer or to offset the funds.

Note: You may **not** leave refunds in hold in anticipation of a delinquency.

Division of a Joint State Income Tax Return

Legal reference: 45 CFR 303.102
Iowa Code Section 252B.5(4)
441 IAC 96.5(4)

When DAS matches a social security number to a state tax return filed as a joint return, some or all of the refund may not belong to the person who owes support. Instead, all or part of the refund may be the result of income earned by the spouse.

An obligor's spouse is not responsible to pay the support obligation of an obligor. Therefore, when contacted by either tax filer, the Unit must take steps to ensure that only the obligor's portion of the refund is offset.

Authorized workers may identify the type of return using OFFS's FILING STATUS field:

- Joint state tax return refunds (FILING STATUS of "2") are typically the refunds that result in a request for division.
- Refunds resulting from a state tax returned filed as "married, but filing separately on this combined return" (FILING STATUS of "3") typically display on OFFS with the division using the P. AVAILABLE and S. AVAILABLE fields.

On these divided refunds, the AMT AVAILABLE field displays the total amount of the refund, not just the obligor's portion.

The tax filer or the person listed as the tax filer's spouse must contact the Unit within 15 days to request a division of the offset. If the Unit does not receive a request to divide a joint income tax refund within 15 days, the Unit offsets the entire amount of the refund, up to the amount due on the obligor's cases.

The obligor or the obligor's spouse may request a division of the joint income tax refund in writing, by telephone or in person, within 15 calendar days of the date of the pre-offset notice. The obligor's spouse may request a division of a joint return even if the obligor has not signed form 470-0461, *Authorization for Release of Information*. However, you may not discuss other confidential details of the case without a signed release form.

If you receive a request for a division of the joint income tax refund within 15 calendar days of the date of the pre-offset notice, send a request for a division of the refund to the e-mail address identified by the state tax liaison. Include at least one of the social security numbers on the refund, preferably the primary filer's social security number.

While the state tax return is under review by DAS, place the refund in hold status on OFFS. See **Manual Entries to Place a State Tax Refund in Hold Status**.

The Unit honors a request for division of the joint income tax refund made after the completion of the offset only if the joint tax filer was not living at the same address as the obligor and so did not receive notice of the offset. When a spouse or former spouse contacts you, review the details of the case, the address used on the pre-offset notice, and any address documentation provided by the spouse.

If the result is a decision that the spouse did not live at the same address at the time of the pre-offset notice, issue a refund to the spouse for the proportionate share of the joint income tax refund. If the amount of the proportionate share of the refund is not indicated on OFFS or the pre-offset notice, send a request for a division of the refund to the e-mail address identified by the state tax liaison.

You need the primary filer's social security number to view the needed OFFS screen. If you have only the secondary filer's social security number, include a statement in the e-mail that the primary social security number is needed to place the refund in hold status.

When you include this statement, DAS sends two separate responses. The first message includes the primary filer's social security number. The second arrives after DAS completes its calculations and includes the division of the refund.

After notification of the division and the end of the appeal period, update OFFS to offset only the obligor's portion of the refund. See **Manual Entries to Offset a State Tax Refund**.

Note: Workers in the Unit are not authorized to contact DAS directly except to request the division of a refund or to obtain the social security number of the primary filer on a return. You must make these contacts by e-mail. You must route all other DAS and Department of Revenue questions and requests through the state tax liaison.

Disparity in Obligations Due Dates and Pay Dates

Legal reference: Iowa Code section 252D.19A

When an obligor's pay dates and obligation due dates are not identical, ICAR may occasionally show that the obligor is delinquent during the course of a year, even if the Unit receives the full amount listed in the income withholding order.

The differences between the pay date and obligation due date can be as great as differences in frequency (monthly vs. weekly) or as subtle as the day of the week (Tuesday vs. Friday). Automated enforcement programs, such as the program to automatically select obligors for state tax offsets, may detect a delinquency and submit the obligor for offsets.

Iowa Code section 252D.19A provides relief from additional enforcement measures when:

- Payments are automatically withheld from the obligor's paycheck;
- The total amount withheld during a year covers the obligor's yearly obligation in full;
- The payments have been continuous and ongoing; and
- The only source of the delinquency is the disparity in the obligor's pay dates and obligation due dates.

Gaps in the payment history or pre-existing delinquencies disqualify an obligor for this enforcement relief.

While these provisions relieve the obligor of enforcement during the temporary delinquency, the obligor is not relieved of the amount due under the court order. If you become aware that the arrearage is the result of a difference in the obligation due dates and pay dates of the obligor, stop the enforcement action on the delinquency. The law affects only enforcement of the arrearages. Enforcement of current support continues.

Before submitting cases for state tax offsets, the selection program checks cases for the basic case characteristics described in Iowa Code section 252.19A. However, special case-specific circumstances may prevent the selection program from identifying all cases.

If you discover that an obligor was selected for state tax offset solely because of a disparity between pay dates and obligations due dates, and the period for requesting an appeal has not ended, place the refund in hold status on OFFS while you review the case. See **Manual Entries to Place a State Tax Refund in Hold Status**.

Check whether the following are true:

- Payments are continuous and ongoing, regardless of the fund source of the payment. The law uses the phrase "continuous and occurring" to describe the payments.
- The sole reason for the delinquency is the difference between the obligor's pay dates and obligation due dates. This exception does not apply if the Unit does not receive the amount requested under the income withholding order or a prior delinquency exists.
- Over the course of a year, the obligor will pay the amount due. Any delinquency that accrued more than a year before is likely eligible for enforcement. If disparity between pay dates and obligation due dates is the only reason for the delinquency, the obligor usually catches up about every three months and then falls behind again.

If the obligor meets all of these conditions, you must release the state tax offset. To release the offset, use OFFS. See **Manual Entries to Release a State Tax Refund**. Manually narrate your review process and the reasons for the release.

If the obligor fails to meet these conditions, no appeal is in progress, and the time for an appeal request has expired, take steps to offset the refund. See **Manual Entries to Offset a State Tax Refund**. Do not offset the refund during the period for requesting an appeal.

Transfer of Funds and Information to ICAR

Each week ICAR evaluates each active case and submits those cases qualifying for offset. DAS provides information to the Unit on a monthly basis. Information from OFFS accumulates throughout the month and is transmitted to ICAR by DAS at the end of each month. ICAR translates this information into payments, narratives, and calendar flags.

The cut off for information is approximately the 25th day of each month. The date often varies by several days, before or after the 25th, so that DAS can schedule the data transmission as efficiently as possible by the end of the month. Payments post to ICAR the weekend immediately following the Unit's receipt of the file and confirmation of the transfer of funds. See **DISTRIBUTING STATE TAX OFFSETS**.

DAS must notify the Unit of the obligor's address and social security number. ICAR issues a narrative (STT4) and a calendar flag (STT1) when OFFS transmits a new address to ICAR. See the location process for information on the use of this address.

DISTRIBUTING STATE TAX OFFSETS

Legal reference: 45 CFR 302.33, 302.51, 302.52, and 303.102(g)
441 IAC 95.6(7) and 96.5(252B)

ICAR distributes all child support collections from the state tax offset process promptly in accordance with the distribution process. ICAR applies funds first to any support due for the current month. ICAR displays state tax offset payments on the PAYHIST screen with a fund source code of STT.

When distributing an STT payment, ICAR also:

- Issues a narrative (STT39 for a joint refund or STT38 for all other offsets) to document the application of the STT payment to the case.
- Notifies the obligor of any funds applied using form 470-0199, *Final Disposition of Support Recovery Claim.* See **Final Disposition Letter**.
- Generates a status (STT2) to the obligee to provide notice when the funds are posted to a family account type of 12, 17, 18, 42, or 47. ICAR issues a narrative (STT17). If ICAR cannot issue a status to the obligee due to lack of an address, ICAR issues a different narrative (STT18).
- Generates a status (STT1) to another state or transmits a status by CSENet transaction (STT4) if the funds distribute to an interstate account type of 14, 15, 16, 44, 45, and 46. ICAR issues a narrative (STT16) documenting the status or CSENET transaction.

ICAR may not distribute the offset if:

- The case is closed.
- The case no longer contains a court order. ICAR issues a calendar flag (STT10) to alert the worker and a narrative (STT24) documenting that the funds did not distribute.
- The case no longer contains an obligation. ICAR issues a calendar flag (STT10) to alert the worker and a narrative (STT25) documenting that the funds did not distribute.
- The case is redirected. ICAR issues a calendar flag (STT9) to alert the worker and a narrative (STT28) documenting that the funds did not distribute.
- The case is inactive. ICAR issues a calendar flag (STT8) to alert the worker and a narrative (STT26) documenting that the funds did not distribute.

- The obligor was deleted from the ICAR case. ICAR issues a calendar flag (STT6) to alert the worker and a narrative (STT20) documenting that the funds did not distribute.
- The obligor was changed on the ICAR case. ICAR issues a calendar flag (STT6) to alert the worker and a narrative (STT21) documenting that the funds did not distribute.
- The case contains no additional current support due or arrearages. If the entire STT rejected, ICAR issues a calendar flag (STT10) to alert the worker and a narrative (STT31) documenting that the funds did not distribute. If only a portion of the STT rejected, ICAR issues a different calendar flag (STT11) and narrative (STT31).

Refund in Excess of Delinquency

Legal reference: Iowa Code sections 252B.5(4), 421.17(21)
441 IAC 95.6(5)
45 CFR 303.102

Sometimes ICAR distributes a state tax payment in excess of the obligor's delinquency. This happens if the obligor made payments or if court-ordered satisfaction or corrections to the obligation or court order information change the delinquency. When the state income tax offset causes an overpayment on a case, issue a refund to the obligor for the excess. See 11-W, ***SPECIAL ABSTRACTS AND REFUNDS***.

Note: You must refund any portion of the amount offset in error to the obligor within 30 days following the verification of the offset and balance amounts.

Final Disposition Letter

Legal reference: Iowa Code sections 252B.5(4) and 421.17(21)
441 IAC 95.6(6)

When a state tax refund is offset, ICAR generates form 470-0199, *Final Disposition of Support Recovery Claim,* which is mailed to the obligor from central office. ICAR issues a narrative (STT5) documenting the issuance of this form. The *Final Disposition of Support Recovery Claim* informs the obligor of the amount applied toward the delinquent support obligation and that the offset is final.

Note: If you release a refund by manual entries on OFFS, you must manually generate this form from the FORMLST screen. You must also narrate these actions.

APPEAL PROCESS

Legal reference: 45 CFR 303.102(c)
441 IAC 95.6(3), 98.81(3), 7.8(17A)

You may receive an obligor's request for appeal when:

- ICAR sends form 470-0198, *Notice of State Tax Refund Offset,* to the obligor that the Unit intercepted and redirected a state tax refund for the payment of child support.
- The debtor-offset liaison sends form 470-3172, *Notice of Debtor Payment Offset,* to the obligor that a debtor offset has been intercepted and redirected for the payment of child support.

The obligor has 15 calendar days from the date of either notice to contest the offset action. The obligor's request for an appeal must be in writing, be signed by the obligor, and include a copy of the notice. You may not refuse an appeal request even if you believe the appeal is untimely or invalid. Decisions about the timeliness or validity of the request are made by the Department's Appeal's Section.

Should the obligor state 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 the *Appeal and Request for Hearing,* attach the written request to that form. See 1-E-Appendix for information on this form.

Complete Part II of the, *Appeal and Request for Hearing* form, and distribute it according to the instructions in 1-E, ***APPEALS AND HEARINGS***.

Special Procedures for Debtor Offset Appeals

If you receive a timely appeal to a debtor offset, you must notify CSC immediately. CSC holds the offset, pending the outcome of the appeal. If you fail to notify CSC of an appeal request, ICAR will distribute the offset to the case.

As you prepare for the appeal, review the case to determine whether the debtor offset process should continue.

Releasing all of or part of the debtor offset amount is appropriate if any of the following conditions exist:

- Form 470-3172, *Notice of Debtor Payment Offset*, was sent in error.
- The balance no longer meets the criteria for debtor offsets.
- The balance has been paid in full since the form was sent.
- Any other reasonable condition for release that is approved by the supervisor upon review and consultation with the liaison regarding the details of the case.

CSC releases or applies the offset amount only after further instructions from the worker.

If you decide the Unit should not proceed with the offset, do the following:

- Notify CSC to release the offset.
- Notify the DHS Appeals Section of the release of the offset.
- Notify the appellant with 470-3171, *Final Disposition of Debtor Offset Claim*.
- Update ICAR's court order, obligation, assignment, or payment information if the release resulted from discovering the balance was not accurate.

Worker Responsibilities

Legal reference: 441 IAC 7.8(A)

Upon request of an appeal, you must:

- Provide the obligor with information about the appeals process and copies of relevant documents, if requested.
- 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 the form to the Department's Appeals Section within one working day of receipt of the written request for an appeal. Attach the obligor's hearing request, if in a letter or other written statement.
- Prepare and submit an appeal packet to the Department's Appeals Section within ten days of the obligor's written request for an appeal. See **Case Documentation**.
- Participate in appeal hearings as a representative of the Unit.

- Take required actions within seven days of the final decision of the appeals process. Do not complete any action before the decision is finalized.
- If the obligor requests the appeal be withdrawn before the appeal hearing is held, notify the Department's liaison for appeals. Ask the obligor to sign form 470-0492, *Request for 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 Department's Appeals Section. The Department of Inspection and Appeals or the Appeals Section sends a written acknowledgment of the withdrawal in response.

See 1-E-Appendix for instructions on completing the *Appeal and Request for Hearing* and the *Request for Withdrawal of Appeal* form.

Case Documentation

Legal reference: 441 IAC 7.8 (9)"b" and "c"

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

- A summary of facts, a list of attachments, and references to the Iowa Code.
- 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 cases.
- Documentation of any administrative reviews conducted at the time of the state pre-offset notice.
- A copy of the pre-offset notice, if available.

Send the appeal request and the summary packet to the Department's Appeals Section by local mail. Send copies 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. The purpose of this conference is to exchange information. This conference is optional for the obligor and should not delay the appeals process.

The pre-hearing conference includes the obligor, the supervisor or lead worker, and the worker responsible for one of the obligor's cases. This conference does not include a judge. If the obligor has designated a representative, this person may also attend the pre-hearing conference.

Should the obligor request additional information regarding the appeal, the supervisor or the worker provides this information. The supervisor or worker may also request copies of offset-related documents from the obligor.

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 Inspection and Appeals conducts the hearing. Appeals regarding state tax offsets and debtor offsets are limited to a mistake of fact. "Mistake of fact" means a mistake in the identity of the obligor or whether the delinquency meets the criteria for referral.

The *Notice of Hearing* issued by the Department of Inspection and Appeals indicates if the hearing is 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.

The appellant or appellant's representative has ten calendar days from the date of notification to file exceptions, present briefs, and submit further written arguments or objections for considerations.

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 the issue.

However, if the administrative law judge overrules the objection, you must provide the information. If you are unable to provide the information, or cannot due to confidentiality requirements, ask the administrative law judge to leave the record open so that the Unit can file additional information. Following the hearing, provide a response to the administrative law judge according to the directions provided by the administrative law judge. Also mail a copy of the response to the appellant and the appellant's representative (if any).

See also 1-E, **Conduct of Hearing**.

Reviewing the Proposed Decision

After issuing a proposed decision, the administrative law judge submits it to the appellant, the appellant's representative (if any), 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 proposed 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 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 director for review. However, the director is not bound by the committee's recommendation.

In response to a timely review request from the appellant, appellant's representative, or the Appeals Advisory Committee, the Department 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 Final Decision

Legal reference: 441 IAC 7.16(9)b

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.

For state debtor offsets, do the following:

- Notify CSC within six business days of final decision. This allows CSC time to process the request to release or apply the funds. Indicate the amount to be returned to the appellant or to be offset by DAS.
- Generate and mail form 470-3171, *Final Disposition of Debtor Offset Claim,* to the appellant by first-class mail.

For state tax offsets, do the following:

- Update OFFS to indicate the amount to be returned to the appellant or to be offset by DAS. See **Working a Potential State Tax Offset**.
- Generate and mail form 470-0199, *Final Disposition of Support Recovery Claim*, to the appellant if the entire refund was released.

Obligor Continues to Contest Final Appeal Decision

Legal reference: 441 IAC 7.8(17A)

State law allows obligors to continue to challenge the Unit's balance calculation beyond the 17A contested case hearing. If the obligor continues to dispute the balance after the 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.
- If the district court judge finds that no mistake of fact exists, the offset stands.

NARRATIVES

Process: **STT** Number: **1**

Text: Case certified for state tax offset.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				

Process: **STT** Number: **2**

Text: Case no longer meets certification criteria for state tax offset.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				

Process: **STT** Number: **3**

Text: Pre-offset notice for state tax refund of _____ issued _____ .

Screen:	Field:	Entry:	Flag:	Status:
LISAN				

Process: **STT** Number: **4**

Text: Payor address received from state tax offset.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT 1	

Process: **STT** Number: **5**

Text: Final disposition notice issued on _____ for offset amount of _____.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				

Process: **STT** Number: **7**

Text: OFFS System updated on _____ to release state tax refund of _____.

Screen:	Field:	Entry:	Flag:	Status:
OFFS System	FLAG	1		

Process: **STT** Number: **8**

Text: Final disposition notice issued, state tax refund of _____ released on _____.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				

Process: **STT** Number: **9**

Text: OFFS System updated on _____ to take state tax refund of _____.

Screen:	Field:	Entry:	Flag:	Status:
OFFS System	FLAG	2		

Process: **STT** Number: **13**

Text: State tax offset rejected on _____. Reason code is 'R', record already updated. Original amount of refund available for offset was _____.

Screen:	Field:	Entry:	Flag:	Status:
OFFS System	FLAG	After any offset or release.		

Process: **STT** Number: **16**

Text: Status update sent to the state of ____ for state tax offset, STT001.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				STT 1

Process: **STT** Number: **17**

Text: Status report sent to custodial parent/caretaker STT002.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				STT 2

Process: **STT** Number: **18**

Text: Status report not issued to custodial parent/caretaker, no valid address STT002.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				STT 2

Process: **STT** Number: **20**

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

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT6	

Process: **STT** Number: **21**

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

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT6	

Process: **STT** Number: **24**

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

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT10	

Process: **STT** Number: **25**

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

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT10	

Process: **STT** Number: **26**

Text: State tax offset has rejected from ICAR. Case is inactive.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT 8	

Process: **STT** Number: **28**

Text: State tax offset has rejected from ICAR. Case has been redirected.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT 9	

Process: **STT** Number: **31**

Text: State tax offset overpaid account. Returned to responsible person _____.

Screen:	Field:	Entry:	Flag:	Status:
Batch Program			STT 10 STT 11	

Process: **STT** Number: **36**

Text: This narrative is for tracking purposes only, state tax offset program case still meets certification criteria.

Screen:	Field:	Entry:	Flag:	Status:
OFFS System	FLAG	2		

Process: **STT** Number: **38**

Text: State tax offset of _____ applied. Offset filed:

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				

Process: **STT** Number: **39**

Text: State tax offset of _____ applied against joint return. Offset filed:

Screen:	Field:	Entry:	Flag:	Status:
Batch Program				

CALENDAR FLAGS

Process: **STT** Number: **1** Days: **1**

Text: Address received from state tax offset. Attempt to verify.

Screen:	Field:	Entry:	Narrative:	Status:
Batch Program				STT 4

Process: **STT** Number: **6** Days:

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

Screen:	Field:	Entry:	Narrative:	Status:
Batch Program			STT 20 STT 21	

Process: **STT** Number: **8** Days:

Text: State tax offset has rejected from ICAR. Case is inactive.

Screen:	Field:	Entry:	Narrative:	Status:
Batch Program			STT 26	

Process: **STT** Number: **9** Days:

Text: State tax offset has rejected from ICAR. Case has been redirected.

Screen:	Field:	Entry:	Narrative:	Status:
Batch Program			STT 28	

Process: **STT** Number: **10** Days:

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

Screen:	Field:	Entry:	Narrative:	Status:
Batch Program			STT 24 STT 25 STT 31	

Process: **STT** Number: **11** Days:

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

Screen:	Field:	Entry:	Narrative:	Status:
Batch Program				

STATUS MESSAGES

Process: **STT** Number: **1**

Text: A state tax refund due the responsible person named above has been intercepted. This offset shall be distributed in accordance with state and federal law.

Screen:	Field:	Entry:	Narrative:	Flag:
Batch Program			STT 16	

Process: **STT** Number: **3**

Text: A state tax refund due the responsible person named above has been intercepted to offset a delinquent child support obligation. Any taxes withheld apply to current support due for the month. If current has been paid or there are funds remaining after current has been paid, those remaining funds shall be applied and distributed in accordance with federal and state law.

Screen:	Field:	Entry:	Narrative:	Flag:
Batch Program			STT 17	

Process: **STT** Number: **4**

Text: This is to inform you that a state tax refund in the amount of _____ due the responsible person named above has been intercepted and applied in accordance with state and federal law.

Screen:	Field:	Entry:	Narrative:	Flag:
Batch Program			STT 16	

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-K-1

ISSUED BY: Bureau of Collection,
Division of Child Support, Case Management, and Refugee Services

SUBJECT: Employees' Manual Title 11, Chapter K, ***STATE OFFSETS,*** Title page, new; Contents (pages 1 and 2), new; and pages 1 through 36, new.

Summary

This chapter lists the policy and procedures for using state tax offsets and state debtor offsets to secure delinquent support.

Information on state offset from Chapter X-E, ***SETOFF PROCEDURES FOR THE COLLECTION OF SUPPORT***, is incorporated into this chapter.

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

February 3, 2006

GENERAL LETTER NO. 11-K-2

ISSUED BY: Bureau of Collection,
Division of Child Support, Case Management, and Refugee Services

SUBJECT: Employees' Manual Title 11, Chapter K, ***STATE OFFSETS,*** pages 21 through 23, revised.

Summary

This chapter is revised to:

- Remove an obsolete e-mail address previously used to request a division of a state tax refund.
- Add system enhancements related to Iowa Code section 25D.19A.

Effective Date

Upon receipt.

Material Superseded

Remove the following pages from Employees' Manual, Title 11, Chapter K, and destroy them:

Page	Date
21-23	March 11, 2005

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

June 30, 2006

GENERAL LETTER NO. 11-K-3

ISSUED BY: Bureau of Collections,
Division of Child Support Recovery, Case Management, and Refugee Services

SUBJECT: Employees' Manual, Title 11, Chapter K, ***STATE OFFSETS***, pages 6 and 30, revised.

Summary

This chapter is revised to:

- Update the criteria used to select individuals for state tax offsets.
- Clarify procedures for responding to an administrative law judge's request for information that is unavailable or cannot be provided due to confidentiality requirements.

Effective Date

Upon receipt.

Material Superseded

Remove the following pages from Employees' Manual, Title 11, Chapter K, and destroy them:

Page	Date
6, 30	March 11, 2005

Additional Information

Refer questions about this general letter to your regional collections administrator.