



# Treasury Offset Program

**Alyssa W. Riedl, Director**  
**Debt Program Division**



# What is the Treasury Offset Program?

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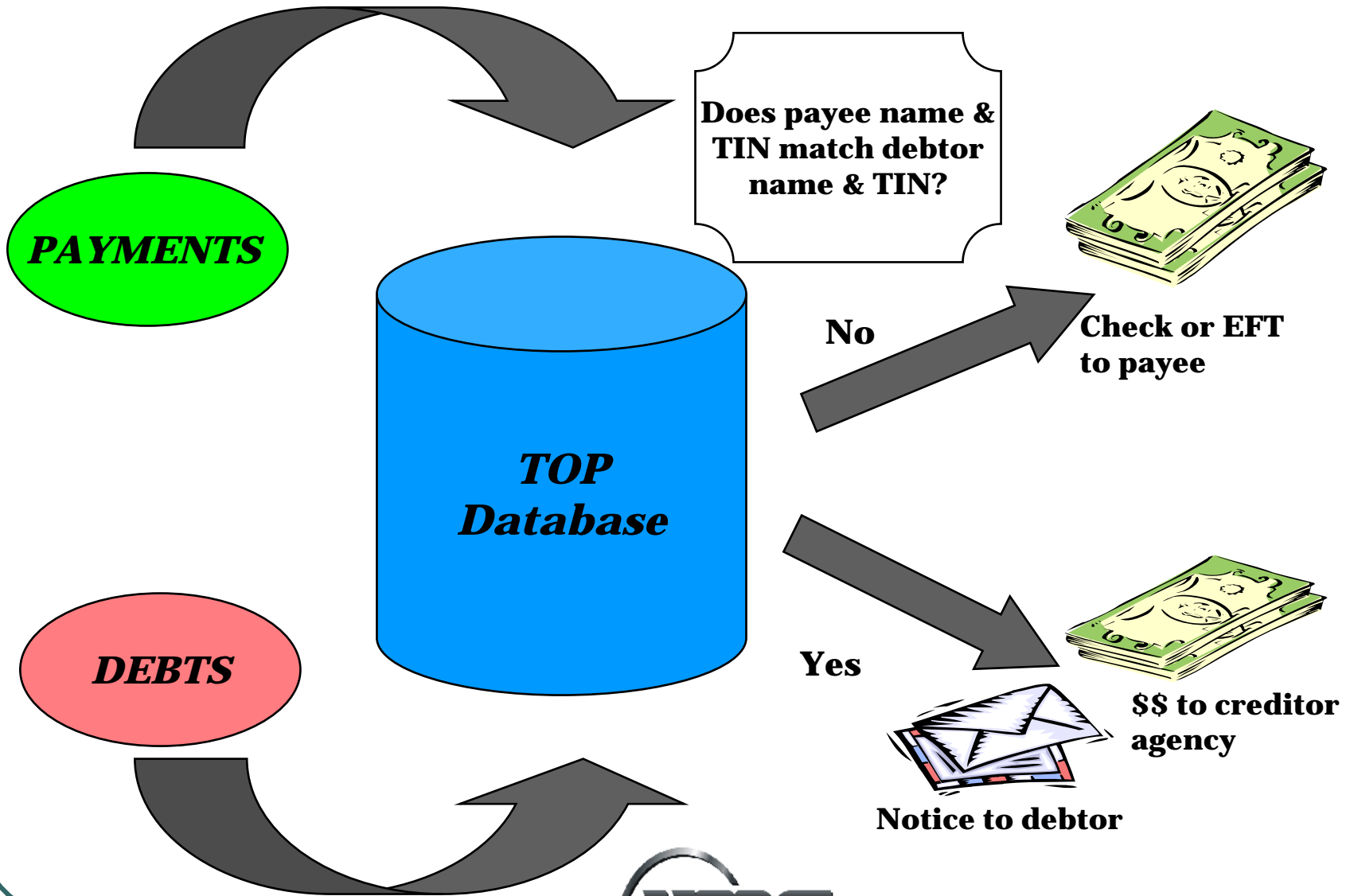
TOP is a centralized offset process that intercepts Federal payments of payees who owe delinquent debts to agencies that have submitted debt information to FMS.

Offset is withholding funds payable by the United States to a person to satisfy a debt owed to the United States or to a state.



Centralized offset is the offset of payments disbursed by FMS and other Federal disbursing agencies through the TOP.

# TOP Process



# Priority of Debts in TOP

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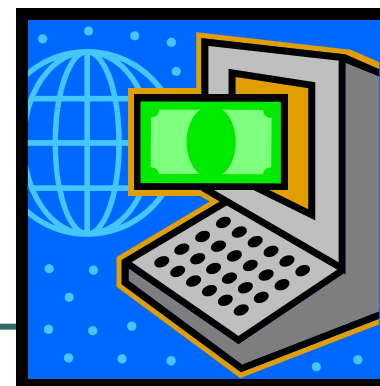
- **IRS Income Tax Debts**
- **Child Support Debts**
- **Federal Non-tax Debts**
- **State Income Tax Debts**



# As of September 30, 2008 TOP Database Contains:

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- **\$49.2 billion in Federal Non-Tax Debts.**
- **\$100.1 billion in Child Support Debts.**
- **\$171.6 billion in Federal Tax Debts.**
- **\$10.3 billion in State Income Tax Debts.**
- **Total - \$331.2 billion!**



# TOP – Payments



- Federal tax refunds (including Stimulus)
- Federal retirement
- Federal benefits
- Federal salary
- Vendor payments to government contractors
- Medicare payments
- Federal employee travel advances & travel reimbursements

# Payment Exemptions

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- Payments exempted by law, e.g. student loan payments, veterans' benefits
- Payments exempt by Treasury
- Means-tested payments
- Non means-tested payments – if offset would tend to interfere with or defeat the purpose of the program



# Payment Exemptions

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- Standards for Exemption of Federal Payments into the Treasury Offset Program
- List of Payments Exempted From Centralized Offset

<http://fms.treas.gov/debt/top.html>

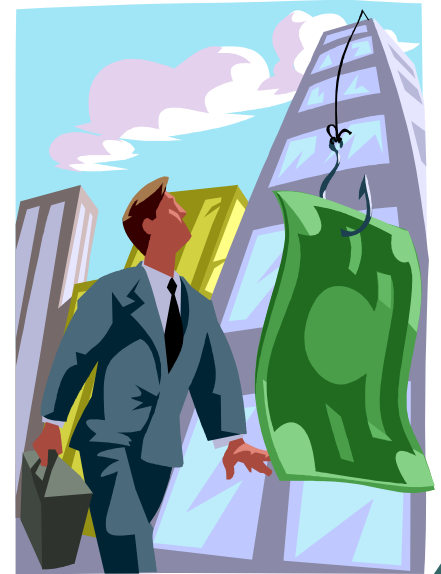


# Centralized Salary Offset

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## Participating Salary Paying Agencies:

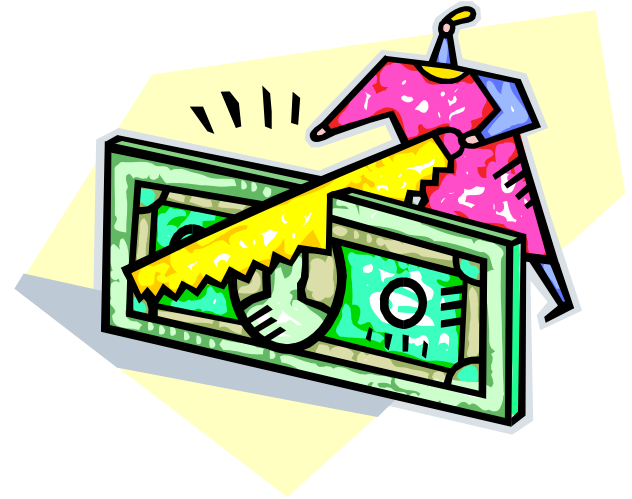
- ✓ **Interior**
- ✓ **National Finance Center**
- ✓ **DoD-DFAS**
- ✓ **U.S. Postal Service**
- ✓ **GSA**



# NTDO Vendor Offset

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- Implemented with the following:
  - DoD
  - State of Maryland
  - State of New Jersey
  - Army Corps of Engineers
  - CMS
- Not a real time process
- Potential to over collect the debt
- USPS will participate in FY 2009



# Additional Payment Methods

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## Corporate Trade Exchange (CTX)

## Fedwire

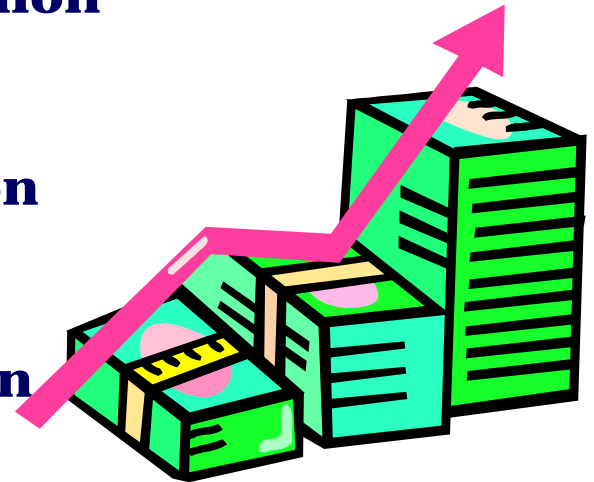


- For Fedwire payments that match debts in TOP, the agency will be required to use payment methods that go through the Treasury Offset Program, allowing offset/levy.

# FY 2008 Collections

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- **Administrative Offsets**      **\$244.9 million**
- **Tax Refund Offset**  
    **Child Support**              **\$1.99 billion**
- **Tax Refund Offset**  
    **Federal Non-Tax Debt**      **\$1.37 billion**
- **Tax Refund Offset**  
    **State Income Tax Debt**      **\$289 million**
- **Tax Levy**                      **\$400 million**

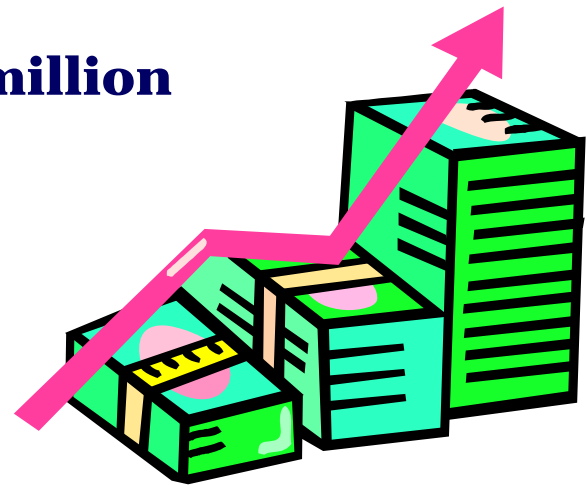


# FY 2008 Collections

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## Stimulus

- **Child Support** **\$840 million**
- **Federal Non-Tax Debt** **\$574 million**
- **State Income Tax Debt** **\$ 88 million**



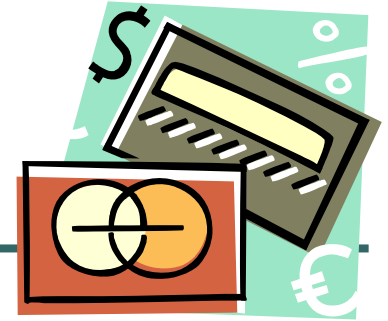
# State Reciprocal Program

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- States refer debts to TOP for offset against Federal vendor payments and State payments will be matched against Federal debts.
- Pilot began in June 2007 with Maryland. New Jersey started in July.



# Purchase Card



Match CCR data against delinquent debts in TOP

Provide results to CCR

Establish indicator on CCR database to identify vendors that are ineligible for purchase card payments

Agencies required to use payment methods that go through the Treasury Offset Program allowing offset/levy

Changes to the Federal Acquisition Regulations (FAR) were published.

# New TOP Web Client

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- Web-based Client is a rewrite of existing TOP Client
- Similar look and feel to the Cross Servicing Client
- Agencies will access through the internet
- PKI Level 3 Application
- New Standardized User ID
- Two Factor Authentication
  - SecurID Card
  - Password
- Implemented in September 2008





# Reports

Logoff | Tree | Tools | Recent | Favorites | Views | Utilities | Help

TREASURY OFFSET PROGRAM  
DEPARTMENT OF THE TREASURY  
FINANCIAL MANAGEMENT SERVICE

TOP Reports

Welcome to DCC TOP Admin View

Reports | Non-Debts

Common Selection Criteria

Agency: 0-TOP Host Agency

Site: 0

Start Date: 04/17/2008

End Date: 04/17/2008

Select report:

- Individual Inquiry by TIN(CA)
- Individual Inquiry by TIN(PA)
- Individual Inquiry by DebtNo.(CA)
- Offset/Levy & Reversal Activity Rpt
- Offset Activity Rpt(PA)**
- IPAC Transaction Rpt
- Potential Salary Match Rpt
- Process Tracking Rpt
- Debtor Locator Rpt(CA)

Select report output type:


PDF  EXCEL report  EXCEL data

Text

Please Select from Drop-down List:

Agency: 0-TOP Host Agency

Version 0.2.4



# Reports

## TOP REPORTS

REPORT ID  
ofstparp  
v1.0.0

FINANCIAL MANAGEMENT SERVICE  
TREASURY OFFSET PROGRAM  
Offset Activity Report - Payment Agency View

Page 1 of 1  
Report Date: 04/17/2008  
Report Time: 17:07:16

### Report Summary Information

#### Retrieval Arguments

*Start Date: 04/17/2008*  
*End Date: 04/17/2008*  
*Agency Id: 1C*

#### Totals and Item Counts

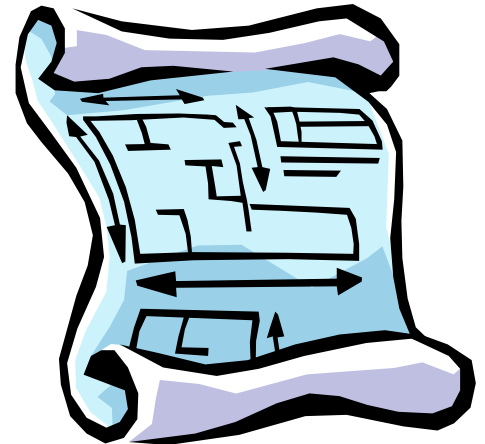
*Total Offset Amount:*  
*Total Payment Amount:*  
*Item Offset Count:*

No data meets the selection criteria

# Legislative Changes

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- Removal of 10 Year Statute of Limitations on Offset of Non-Tax Debts.
- Allow the Offset of Medicare Payments.



# **Debt Management Operations Center**

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***Operates the National TOP Call Center***

***1-800-304-3107***

***CY2007 – 3 million calls***

*Callers are referred to creditor agency for–*

- Account balances
- Particular debt information
- Removal from TOP
- Adjustments or refunds



# Debt Program Division

## *Points of Contact*

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**Alyssa W. Riedl, Division Director**  
**Debt Program Division**  
**(202) 874-0540**

**Rosemary McCambridge, Branch Manager**  
**Debt Program Relations Branch**  
**(202) 874-6727**

**Horace Tate, Acting Branch Manager**  
**Program Support Branch**  
**(202) 874-6859**



# Questions?

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