

ADMINISTRATIVE OFFSET PROGRAM

Administrative Offset allows for the interception of certain federal payments in order to collect past-due child support. Based on the Debt Collection Improvement Act (DCIA) of 1996, the process is managed by the Federal Office of Child Support Enforcement (OCSE), through the Financial Management Service (FMS) of the Department of the Treasury, in conjunction with the Federal Tax Refund Offset Program.

Unlike Federal Tax Refund Offset, which is a program in which state child support enforcement Agencies must participate, the Administrative Offset Program is an optional enforcement remedy.

What kinds of Federal payments can be intercepted?

Various types of payments are available for Administrative Offset. They include both recurring and one-time payments. Types of payments that can be intercepted include payments to private vendors who perform work for a government agency, federal retirement payments, and relocation and travel reimbursements owed to federal employees.

Some payments cannot be intercepted through this program. They include Veterans Affairs (VA) disability benefits, federal student loans, some Social Security payments, Railroad Retirement payments, Black Lung benefits, and payments made under certain programs based on financial need, such as Supplemental Security Income (SSI).

How does the Administrative Offset program work?

A case is eligible for an Administrative Offset when the non-custodial parent owes at least \$25 and is at least 30 days delinquent in his or her child support payments. Persons who owe child support debts subject to Administrative Offset will be notified via a Pre-Offset Notice, which also includes information about the Federal Tax Refund Offset and Passport Denial programs. The Pre-Offset Notice also provides information about how to contest the debt amount.

States must submit to OCSE those cases that meet the criteria for the Federal Tax Refund Offset Program. The states use the same process to submit to the Administrative Offset Program. When a match occurs between the records of persons who owe child support debts and the payment records for federal payees, FMS will seize the amount and transmit it to the state, through OCSE. FMS will also send a notice to the non-custodial parent explaining the type of offset that occurred and referring him or her to the appropriate local child support agency for further information.

Who gets the money collected through Administrative Offsets?

Unlike funds from Federal Tax Refund Offsets that must first be applied to any state debt, Administrative Offset funds are first applied to any debt owed to the family. Any remainder is kept by the state to pay a child support debt owed to the state because the family received public assistance (Aid to Families with Dependent Children – AFDC, Temporary Assistance to Needy Families – TANF, or Foster Care).