

Friend of the Court – Tax Refund Offset

FAQ:

What is the Tax Refund Offset Program?

The Federal Tax Refund Offset (FTRO) and State Tax Refund Offset (STRO) programs are two automated enforcement remedies within MiCSES. These programs are used to submit tax refund intercept requests for a non-custodial parent (NCP) with past due support. When a non-custodial parent (NCP) files a state or federal income tax return with a tax refund due, the tax refund is intercepted up to the amount of overdue support and sent to the state's child support agency rather than the NCP. Federal submission requires arrearages greater than \$150.00 for TANF cases and \$500.00 for non-TANF cases and State submission require arrearages greater than \$150.00 for both TANF and non-TANF cases, regardless of whether the child is emancipated, over the age of 18, or disabled before the age of 18.

The FTRO is a continuous process-submittal and update processes run weekly throughout the year. The STRO program is an annual submittal with a weekly update process throughout the year.

How does my case qualify for the Tax Refund Offset Program?

Items taken into consideration for case selection & arrearage determination include the NCP's member role, status, and SSN, case type status, case interstate status, bankruptcy status, dependant status, IV-D obligation debt type and arrearage amounts, arrearage minimum thresholds.

How does the child support payer know if a request for a Tax Refund Offset has been made?

The federal and state child support agencies send the payer a pre-offset notice (PON). This notice explains that the Friend of the Court requested a tax refund offset and provides the payer with information regarding appeal and/or joint tax return options.

When do I receive the Tax refund offset?

When an STRO collection is received, a receipt is created and identified by the payer's member ID and SSN. Monies are allocated and distributed following the *regular distribution hierarchy*. It is then disbursed to the recipient. Money that exceeds the reported arrearage balance will be held for 60 days before it is refunded to the payer.

When an FTRO collection is received, a receipt is created and identified by the payer's member ID and SSN. Monies are allocated and distributed based on the *Federal tax refund offset distribution hierarchy*. Monies from a 'single/individual' tax return are then disbursed to the recipient. Money that exceeds the reported arrears balance will be held for 60 days before it is refunded to the payer.

Important note: Payers who have filed a joint tax return are also allocated and distributed based on the FTRO hierarchy reducing the arrearage balance; however, the actual disbursement is held for 6 months from the receipt date.

Client STRO information (517) 636-5333

Client FTRO information toll free 1-866-540-0008 (Central Functions Unit of MiCSES)