

# FACT SHEET

## Treasury Offset Program (TOP)

### What is TOP?

TOP is a centralized offset program and one of the key tools used by Fiscal Service for collecting delinquent debts owed to federal agencies and states. TOP matches a database of delinquent debts against payments Fiscal Service and other agencies disburse, and then offsets (withholds or reduces) payments to recipients who owe delinquent debts.

### How does TOP work?

Fiscal Service disburses federal payments for agencies (known as "payment agencies"), such as the Internal Revenue Service. "Creditor agencies," such as the Department of Education, submit delinquent debts to the Fiscal Service for collection and inclusion in TOP, and certify that such debts qualify for collection by offset. Fiscal Service also works with other federal and state agencies disbursing payments.

Before an eligible payment is disbursed, Fiscal Service compares the payment information with debt information in the TOP database. If the payee's Tax Identification Number (TIN) and name match the TIN and name associated with a debt, Fiscal Service offsets the payment, in whole or in part, to satisfy the debt to the extent legally allowed, and sends amounts collected to the appropriate creditor agency.

Fiscal Service maintains information about debts in the TOP database and continues to offset eligible payments until the creditor agencies suspend or terminate debt collection or offset activity for the debts.

### What kinds of payments can be offset?

Depending upon the type of debt, the following payments may be eligible for offset:

- federal and state tax refunds
- federal wages, including military pay
- retirement, including military retirement pay
- federal and state vendor payments
- travel advances and reimbursements
- certain federal benefit payments, including Social Security benefits (other than Supplemental Security Income), Railroad Retirement benefits (other than tier 2), and Black Lung (part B benefits)
- other federal payments that are not exempt by law or by action of the Secretary of the Treasury.

Federal law limits the amount that may be withheld from some types of payments.

### What services does TOP provide to states?

#### Child Support Program

States submit delinquent child support obligations to the U.S. Department of Health and Human Services, Office of Child Support Enforcement, which in turn submits the debts to TOP for collection through the offset of federal tax refund and other eligible federal payments.

#### Supplemental Nutrition Assistance Program (SNAP)

States submit delinquent nutrition assistance obligations to the U.S. Department of Agriculture, Food and Nutrition Service, which in turn submits the debts to TOP for collection through the offset of federal tax refunds and other eligible payments.

#### State Income Tax Program (SIT)

TOP offsets federal tax refund payments to payees who owe delinquent state income tax obligations.

#### State Reciprocal Program (SRP)

TOP offsets federal vendor and other non-tax payments to payees who owe delinquent debts to state agencies. In return, states offset payments to payees who owe delinquent nontax debts to federal agencies.

#### Unemployment Insurance Program

In partnership with the U.S. Department of Labor, TOP offsets federal tax refund payments to: 1) payees who owe delinquent unemployment insurance (UI) benefit debts due to fraud or a person's failure to report earnings; and, 2) payees who owe UI employer tax debts.

<https://www.fiscal.treasury.gov/top>

#### ABOUT FISCAL SERVICE AND DEBT MANAGEMENT SERVICES

The U.S. Department of the Treasury's Bureau of the Fiscal Service assists federal agencies with the prevention, collection and resolution of debts owed to government agencies. Additionally, we provide debt collection services to the states. Debt Management Services (DMS) is the business area responsible for administering programs and services related to improper payments, receivables management and delinquent debt collection.