Bureau of the Fiscal Service

2026 Annual Debt Collection Symposium

Debt Collection Improvement Act 30th Anniversary

Treasury Offset Program (TOP)

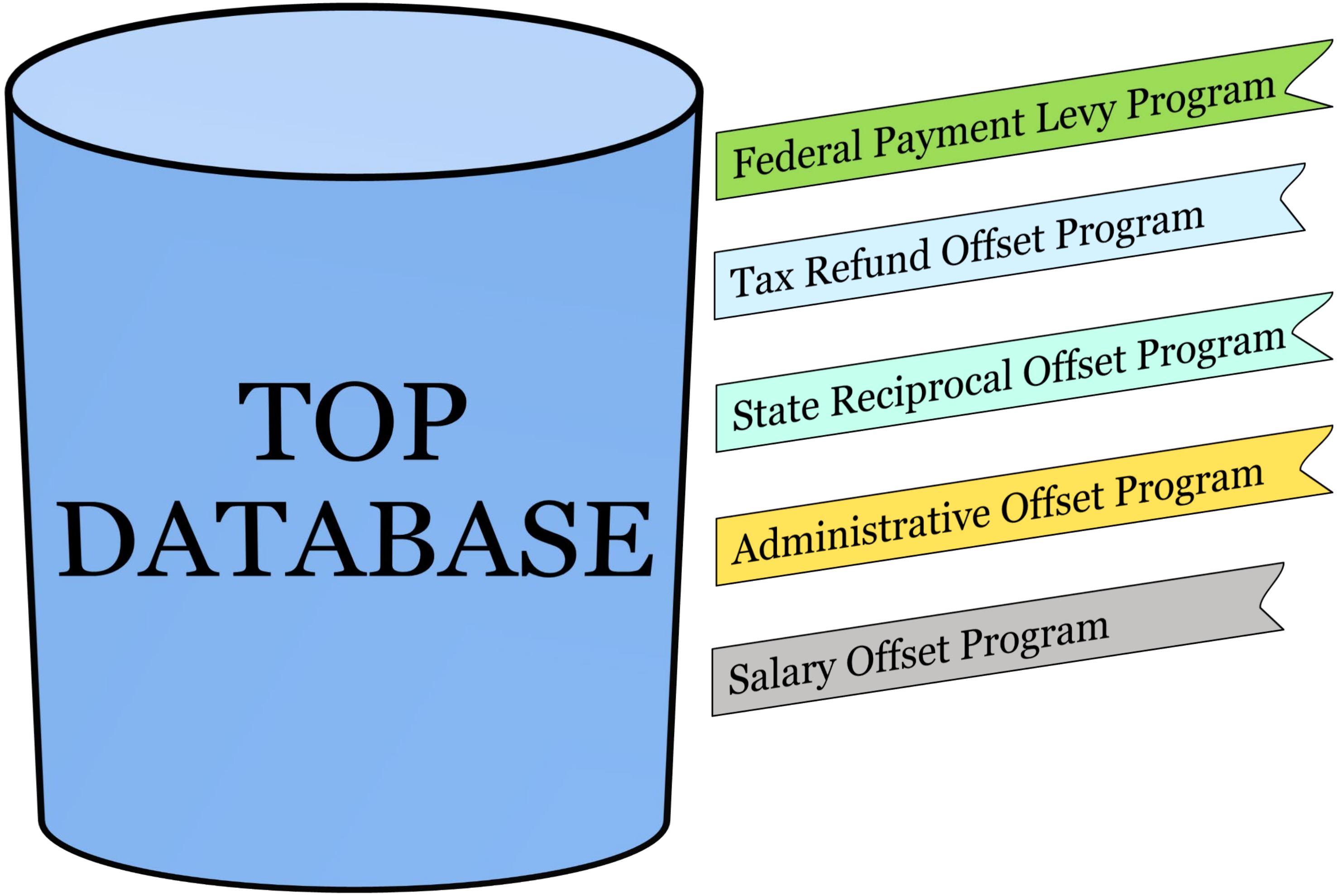
August 2026

TOP's DCIA Journey:

1996 and Beyond

- TOP Foundation
- TOP Progression
- TOP Strategic Direction

What is the Treasury Offset Program?



Types of delinquent debt collected by TOP include:

- Tax and nontax debts owed to the United States
- Child support obligations enforced by state agencies
- State income tax debts
- Unemployment insurance compensation debts
- Other state debts through the State Reciprocal Program (SRP)

Authority to Collect

Legal foundations for the work carried out by TOP

- Federal Claims Collection Act of 1966, Debt Collection Act of 1982, Debt Collection
- Improvement Act of 1996, as amended, and other laws, codified primarily in 5 U.S.C. § 5514 and 31 U.S.C. § 3701 et seq

- Internal Revenue Code, Title 26 of the United States Code

- Bankruptcy Code, Title 11 of the United States Code

- Privacy Act of 1974, 5 U.S.C. § 552a

- Other statutes that apply to specific agencies, debt types or payment types

- Treasury regulations, OMB policies, agency-specific regulations

Debtor Protections

Agency certification

- Creditor agencies submit eligible debts to TOP and certify that debts are valid, delinquent and legally enforceable.

Due process prerequisites

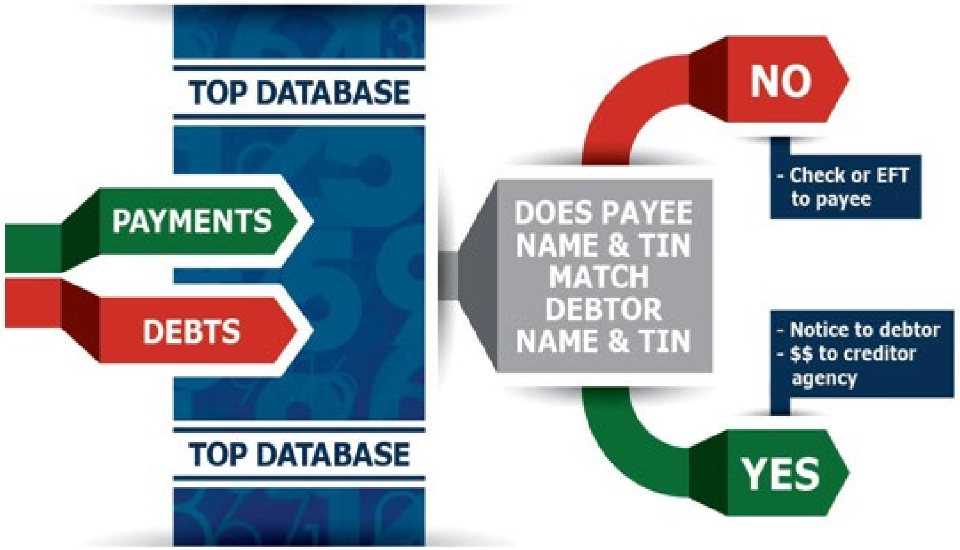
- Creditor agencies must provide 60-day prior notice to the debtor, and the opportunity to dispute the debt.

- Debts must be referred to TOP by no later than 121 days delinquent.

TOP letter notices

- TOP sends notices to debtors when payments are offset.
- For recurring payments, i.e., benefits, salary, and OPM annuity payments, TOP sends warning notices.

TOP Database



- TOP compares payee names and Taxpayer Identification Numbers (TINs) on certified payments to names and TINs of debtors in TOP's delinquent debtor database.
- When a match occurs on both, TOP intercepts, or offsets, all or part of a payee's eligible federal or state payment.

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TOP Database

Understanding Offsets

- An Offset is the withholding of funds payable by a federal or state agency to a person to satisfy a debt owed to the United States or to a state agency.
- A Centralized Offset is the offset of payments disbursed by Treasury’s Fiscal Service and other federal disbursing agencies through TOP.

Disbursing officials

- Paying agencies are those who have authority to disburse public money.

Payments matched in TOP

- Eligibility for offset
- Percentage of offset

Historical Review of TOP

- **1996** – Debt Collection Improvement Act; SBA Debts added; OPM Check Payments Offset
- **1997** – OPM EFT, Vendor Check & EFT Payments Offset / 16 Creditor Agencies
- **1998** – OCSE, Education & 20 other Creditor Agencies
- **1999** – TRO Payments Offset
- **2000** – Tax Levy & State Tax Debts
- **2001** – SSA & Federal Salary Payments Offset; Tax Rebates
- **2002** – NTDO Vendor Payments Offset
- **2007** – SADO Vendor & Tax Payments Offset (State Reciprocal Program) CTX Vendor Payments; SPS Type A Payments
- **2008** – 2008 Stimulus Payments, RRB Payments, CMS; NTDO for Levy
- **2009** – 2009 American Recovery and Reinvestment Act Payments; Postal NTDO, CMS NTDO for Offset
- **2010** – New York SADO, 10 Year Statue of Limitations Lifted, SAM Flag, Partial Match Services Pilot

Federal Non-Tax - Federal Agencies, OCSE & IRS
State Tax – 40 States and the District of Columbia
State Reciprocal – 12 States and the District of Columbia
UI Benefits – 45 States and the District of Columbia
UI Tax – 38 States

Historical Review of TOP

- **2011** – Unemployment Insurance Benefits
- **2012** – Partial Match Services Offered
- **2014** – Unemployment Insurance Tax
- **2015** – New TOP Database and Web Client Deployed
- **2018** – Processing of OPM daily payments
- **2019** – Use of fuzzy logic to increase matching
- **2020** – Processing of Economic Impact Payments
- **2021** – TOP Assessment
- **2025** – TOP move to AWS Cloud; TOP Regulations revision

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TOP Referrals/Collections

Disbursing officials

- Definition
- Responsibilities

Payment types matched in TOP

- Eligibility for offset
- Percentage of offset

TOP Collections

FY24	4,414,646	$3,825,687,431
FY25	5,280,490	$4,744,216,841
FY26	5,566,951	$5,322,024,762

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TOP Agency Profile

Identifies points of contact and defines how DMS will service an agency's debt portfolio. It also specifies any unique laws that apply to an agency's debts.

Has an annual requirement for validation/update.

Allows for changes to be made online by the agency's Creditor Manager.

Should be updated when any change occurs within the agency (POC change, telephone/address change, contact information for debtors, etc.).

Partial Matches

- TOP uses the first four significant characters of the last name (excluding spaces, apostrophes, dashes, etc.) to create a name control.

- A partial match occurs when a match takes place based on the debtor's SSN or EIN, but not on the Name.

- The Partial Match Report provides information on partial matches and can be accessed by agencies through the TOP Web Client.

- Partial match services are available to all Creditor Agencies and provide:
  - Downloadable report of partial match data
  - Comparison of debtor and payee names
  - Use of LexisNexis and other services to further verify debtor and payee are the same person
  - Updates the TOP database using the Web Client

Missing Debtor Address Info

- More than 500,000 debtors in TOP without address information
- Address information needed:
  - Take offsets against non check payments
  - Send offset and warning notices
- TOP will provide agencies with a detailed listing of debt / debtor records that do not have an address
- Addresses should be added as soon as possible using the Record Type ‘2’, Action Code ‘A’ or using the TOP Web Client

Debtor Address Request

- Used to obtain addresses of Debtors for use in the "Due Process" procedure so that debts can be sent to TOP.

- Batch Files are due to Fiscal Service before the last Thursday of the month. Each agency should consolidate and send only one file.

- TOP Client Address Request need to be input before the last Thursday of the month.

- Files are returned to agency or available in the TOP Web Client the following day.

- Address information received is considered Federal Tax Payer Information and should be treated accordingly.

Debt Extracts

- Used by agencies to reconcile debt referred to TOP
- Extract is sent as a Record Type 1
- If debts contain bypass indicators, a Record Type 6 will also be sent on the file
- Can be requested at anytime during the year

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Rejected Debt/Debtor Records

- Organized and frequent review of your unprocessable files is important
- Informs agencies of records that were rejected
- Provides reason for the rejections using error codes

TOP's Strategic Direction

- Enhancing Debtor Self-Service
- Increasing State Reciprocal Program (SRP) Participation
- Improving Matching Logic
- Expanding G2G Program
- Expanding Salary and NTDO Payment Agency Participation
- Additional Payment Streams
- Program Participation Compliance
- Data Retention

Thank You

Questions?