



TREASURY OFFSET PROGRAM (TOP) FREQUENTLY ASKED QUESTIONS

The Treasury Offset Program (TOP) is a debt collection program administered by the Bureau of Fiscal Services (BFS), which is a division of the U.S. Department of the Treasury. Section 303(m) of the Social Security Act requires IDES to send eligible unemployment compensation debts to TOP for offset of the debtor's federal income tax refund due to fraud or a person's failure to correctly report earnings.

What is the TOP?

The TOP is a debt collection program administered by the Bureau of Fiscal Services (BFS), which is a division of the U.S. Department of the Treasury. Section 303(m) of the Social Security Act requires IDES to send eligible unemployment compensation debts to TOP for offset of the debtor's federal income tax refund. A debtor whose unemployment compensation debt is eligible for collection through TOP will receive a Federal Tax Offset Notice notifying the debtor of IDES's intent to intercept the debtor's federal income tax refund to satisfy an unemployment compensation debt owing to IDES. The notice provides the debtor an opportunity to resolve or dispute the debt within 60 days.

If you have overpayments due to fraud or failure to correctly report earnings, your debt will be referred to TOP.

What is an "offset"?

An offset is when the federal income tax refund you would have received is used to pay all or a portion of a debt owing to a federal or state agency. If the full amount owed is not collected in one year, future offsets may be done to satisfy your debt.

How will I know if my federal income tax refund was used to offset a debt?

When your federal income tax refund is intercepted to offset a debt the Bureau of Fiscal Services (BFS) will send you a letter notifying you of the amount of the offset, the agency where the offset was sent, and the contact information for that agency.

When is a debt sent to the TOP?

In general, when your debt is more than 90 days delinquent, IDES must determine that your debt is valid and collection is legally enforceable. IDES will send you a *Federal Tax Offset Notice* letter about your

debt and provide you with the opportunity to resolve or dispute your debt within 60 days. After 60 days and in the absence of a repayment agreement, your debt will be submitted to the TOP for collection.

IDES will respond to questions and inquiries regarding your debt. If you have not received a notice about your debt, your debt may not be eligible for federal offset.

How does the TOP work?

- If you owe a delinquent debt to a government agency or a state and that agency identifies it is eligible for offset, you are sent a *Federal Tax Offset Notice* letter.
- After the notice is sent, you have 60 days to: repay the debt, agree to a repayment plan, request a review, or notify the agency of your bankruptcy.
- After 60 days if the debt is still delinquent, IDES will send information about your debt to the TOP database.
- Before you receive a federal payment such as a tax refund, the database is searched to see if you owe a delinquent debt.
- If your debt is in the database, your federal payment will be reduced or withheld to pay your debt.
- When your payment is taken, a letter from the Internal Revenue Service (IRS) will be sent to you regarding the action.

What kinds of federal payments can be reduced?

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

- Tax refunds
- Federal wages, including military pay
- Federal retirement, including military retirement pay
- Contractor/vendor payments
- Travel advances and reimbursements
- Certain federal benefit payments, such as Social Security (other than Supplemental Security Income), Railroad Retirement (other than tier 2) and Black Lung (part B benefits)
- Other federal payments that are not expressly exempted from offset

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

Why do I owe this debt?

Any person who has received unemployment compensation benefits to which he is not entitled is liable to repay those benefits. IDES is authorized to intercept state income tax refunds, lottery winnings, other funds held by the State Treasurer, and federal income tax refunds to offset unemployment compensation debts.

How can I avoid having my debt offset for payment?

Prior to submitting debts to the TOP, IDES is required to notify each debtor that it intends to refer the debt for federal offset. If you receive this notice, you have 60 days to do one of the following before the debt is sent for offset:

- a. Pay your debt in full. Payment may be mailed to: Illinois Department of Employment Security, Benefit Repayments, 28542 Network Place, Chicago, IL 60673-1285. Include your Claimant Identification number (CID) on your payment. If paying by check or money order make it payable to the Director, Illinois Department of Employment Security. If paying with a credit or debit card call 877-820-9155. To submit a payment using your credit or debit card you will be required to enter your Claimant Identification number (CID). If you do not know your CID, please call 800-244-5631.
 - b. Provide proof of payment. If you believe that all or part of this debt has already been paid, you must send documentation to support your claim to the above address or FAX to: 312-338-6985.
 - c. Provide bankruptcy information. IDES will not submit your debt to TOP if you are protected by bankruptcy provisions. You must notify IDES by sending evidence concerning your bankruptcy to IDES, Benefit Repayments, PO Box 4385, Chicago, IL 60680-4385. This evidence should include the bankruptcy case number, filing date, state, district, and the name of the court in which you filed your bankruptcy claim.
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Whom should I contact regarding my debt?

Illinois Department of Employment Security
Benefit Payment Control, Overpayment Recovery and Collections
800-245-9762

If your debt has been paid in full, or if you do not owe the debt for other reasons, IDES is responsible for instructing Treasury to stop the offset process. IDES is also responsible for returning to you any part of your payment that should not have been reduced.

To verify the amount of the offset, call:
Treasury Offset Program Call Center
800-304-3107

Whom should I contact regarding the offset?

If you have questions about the TOP offsets, or a notice you received from the Bureau of Fiscal Services (BFS), you may contact the Treasury Offset Program Call Center at 1-800-304-3107. Many state and federal agencies offset debts through TOP. The notice you receive from the BFS will list the name of the agency or agencies that requested offsets from your federal income tax refund, along with contact information for those agencies.

What does the TOP Call Center do?

The Financial Management Service (FMS) Treasury Offset Program staff is available to help you understand the process, including what you need to do next. They cannot arrange for you to pay off your

debt, tell you how much you owe, or refund your money. They can tell you whom to call. They will not tell anyone but you about your debts and the amount that was offset.

How does a debtor know that he/she is in the TOP delinquent debtor database?

Before IDES refers a debt to the TOP, it will send the debtor all due process notices concerning the debt. These notices include written notification of the nature and amount of the debt, the intention of IDES to collect the debt through administrative offset, and an explanation of rights (inspection, copying, review and repayment opportunities). IDES has therefore informed the delinquent debtor of the potential referral of the debt to the TOP. The U.S. Department of Treasury, Internal Revenue Service will inform the debtor when an offset is taken. You are also entitled at any time to inquire in writing whether you are in the delinquent debtor database maintained by the U.S. Treasury, which will answer you in writing.

How do I dispute a debt being sent to the TOP?

If you have evidence to show that the debt is not past due, not legally enforceable, or not the result of unreported earnings when claiming benefits, you may submit a written objection to the referral of your debt for offset. The objection must state the grounds upon which you are objecting your debt's referral and may include any available evidence, which may include sworn affidavits, to support the grounds.

Can I appeal the amount owed?

When your debt was originally established, you were provided with an opportunity to appeal the original determination. The time to file an appeal has expired. The TOP is a collection process and is not appealable under Illinois law.

How will I know if my federal payment was intercepted to pay a state debt?

After a federal offset occurs, the Financial Management Service (FMS) will notify you that the offset has occurred. FMS will provide information regarding the amount and date of the offset, the state to which the offset was paid and a contact in the state that can handle your concerns or questions regarding the debt that resulted in the refund offset.

My spouse and I filed a joint federal tax return, and our refund was intercepted for a debt that my spouse owes. How can I get my portion of the refund back?

You must complete federal Form 8379 to get your share of the refund. To obtain the form, call the IRS at 800-829-3676 or you can download the form from the IRS website.

If you have questions about the form or need help completing it, call your local IRS office or call 800-829-1040. The completed Form 8379 should be mailed to the IRS center where you sent your original tax return.

Will there be any fees associated with the offset?

Yes, the Bureau of Fiscal Services (BFS), will collect an administrative fee for every offset from your federal income tax refund. This fee is collected from your refund before any debts owing to IDES are satisfied. IDES does not collect this fee. In fiscal year 2026, the TOP administrative fee is \$16.28. Example 1: If the administrative fee is \$16.28, your debt to IDES is \$150.00, and your tax refund is \$200.00, then BFS will take \$16.28 from your tax refund to satisfy the administrative fee and will send \$150.00 to IDES to satisfy your debt. Your tax refund will be \$33.72. Example 2: If your debt to IDES is \$1,000 and your tax refund is only \$120.00, BFS will take \$16.28 from your tax refund to satisfy the administrative fee, will send the remaining \$103.72 to IDES, and your debt will remain in the TOP database until the remaining \$896.28 of your debt is paid.

What if I have a repayment agreement with IDES?

If you have a repayment agreement with IDES and you have not defaulted on your repayment agreement (i.e., missed a payment or made a payment for less than the amount required in your agreement), you should continue to make your payments on schedule. If you entered into a repayment agreement with IDES and you missed a payment, stopped making payments, or made payments in amounts less than what is required by your repayment agreement, you have defaulted on your repayment agreement and IDES may send your debt to the TOP for offset of your federal income tax refund.

What if I don't give you permission to take my federal payment?

State and federal laws authorize the TOP. IDES is not required to secure your permission prior to submitting your unpaid liability to TOP.

I paid IDES in full, but my federal refund was still offset. What should I do?

At the time your debt was submitted to the Bureau of Fiscal Services (BFS), your debt was not paid in full. Although IDES sends updated information to BFS to reflect a change in the balance due, it is possible that the amount offset will be more than the balance due at the time of the offset. If IDES receives an amount that is more than what is owed to IDES, IDES will refund the excess to you once it has been posted to your account.