



April 14, 2021

**Child Support Program Manual Transmittal Letter (CSPMTL) No. 171**

**TO:** All Child Support Program Manual Holders  
**FROM:** Matt Damschroder, Interim Director  
**SUBJECT:** Five Year Rule Review - Federal Tax Offset Rules

The Office of Child Support (OCS) is conducting a rule review in accordance with section 106.031 of the Revised Code, which requires the review of all state agency rules within a five-year period.

The following rules have been filed as **no change**. The effective date of the rules remain the same as the existing rules.

Rule	Rule Title	Effective Date
5101:12-50-30	Federal offset program	1/01/2016
	This rule lists the programs that are part of the federal tax offset program. This rule is authorized by ORC section 3125.25; and amplifies ORC sections 3125.03 and 3125.25.	
5101:12-50-32	Federal income tax refund offset program	1/01/2016
	This is the principle rule, which provides an introduction to the federal tax refund offset program and defines terms that are used in the supplemental rules. This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.	
5101:12-50-32.1	Submission criteria	9/01/2011
	This rule describes the criteria required for submittal to the federal tax refund offset program. This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC section 3123.81.	
5101:12-50-32.2	The federal match process and pre-offset notice	1/01/2016
	This rule describes the federal tax offset match process and the pre-offset notice procedure. This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.	

Rule	Rule Title	Effective Date
5101:12-50-32.3	Adding, updating, and deleting obligors from the Ohio tax offset file	7/01/2006
	<p>This rule describes the requirements for adding, updating, and deleting obligors from the federal tax offset file submittal by Ohio to the federal Office of Child Support Enforcement (OCSE).</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>	
5101:12-50-32.4	Rejected submissions	9/01/2011
	<p>This rule describes the procedure a child support enforcement agency (CSEA) is required to follow when a federal tax offset submission is rejected by OCSE.</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>	
5101:12-50-32.7	Service fee	1/01/2016
	<p>This rule describes the fees that are charged by the federal Bureau of Fiscal Service for each federal tax offset processed.</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>	
5101:12-50-32.9	Federal adjustments, state payments, and recovery of disbursed federal tax offset collections	4/01/2018
	<p>This rule describes the processes used to rectify an invalid federal tax offset.</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>	

OCS has **revised** the following rules:

Amended Rule	Amended Rule Title	Prior Effective Date of Rule	Effective Date of Amendment
5101:12-50-32.5	Administrative offset review of federal income tax refund offset program submittals	1/01/2016	6/01/2021
	<p>This rule describes the process for requesting and conducting an administrative tax offset review when an obligor has been submitted to the federal tax offset program. Changes to this rule include: in paragraph (B)(1), clarified that the CSEA is required to issue the JFS 07650 to the obligor, and clarified that the JFS 01850 must be issued to the obligee when there are unassigned arrears, not specific to a case type.</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>		
5101:12-50-32.6	The federal income tax refund offset process	1/01/2016	6/01/2021
	<p>This rule describes the process used to offset a federal income tax refund. The rule is being revised to correct a typo in paragraph (A)(1).</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>		

Amended Rule	Amended Rule Title	Prior Effective Date of Rule	Effective Date of Amendment
5101:12-50-32.8	Federal income tax refund offset reports	9/01/2011	6/01/2021
	<p>This rule describes the federal income tax refund offset collections reports that are provided to the CSEA for appropriate action(s). The rule is being revised in paragraph (C)(2) to clarify that the CSEA does <b>not</b> need to request a manual check for recoupment since PAAR automatically issues a check.</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>		
5101:12-50-32.10	Joint refund	9/01/2011	6/01/2021
	<p>This rule describes the process in which federal tax refund offset collections from a joint tax returns are disbursed. Paragraph (A) is being revised to clarify that assigned arrears are disbursed at the end of every month.</p> <p>This rule is authorized by ORC sections 3123.81 and 3125.25; and amplifies ORC sections 3123.81, 3125.03, and 3125.25.</p>		
5101:12-50-99	Chapter 5101:12-50 forms - enforcement of the support order	2/11/2019	6/01/2021
	<p>This rule contains a compilation of forms with their effective or revised effective date, referenced within various rules contained within division 5101:12 of the Administrative Code, but first cited within Chapter 5101:12-50 of the Administrative Code. Changes to this rule include: added the JFS 07650 to this rule as the form is required by OAC rule 5101:12-50-32.5 and revised JFS 07017 to correct a typo.</p> <p>This rule is authorized by ORC section 3125.25; and amplifies ORC sections 3125.03 and 3125.25.</p>		

OCS has **revised** the following form:

Revised Form	Revised Form Title	Prior Effective Date	Effective Date of Revision
JFS 07017	Update of IRS Tax Refund Offset Submittal	4/2018	6/01/2021
	<p>The purpose of this form is to report any state payment a CSEA has issued to an obligor.</p> <p>The forms is being revised to correct a typo.</p>		

OCS is **adding** the following form to the CSPM:

Form Number	Form Title	Effective Date
JFS 07650	Scheduling Notice for Administrative Review of Income Tax Refund Offset	7/2005
	<p>The purpose of this form is for the CSEA to notify the obligor of the schedule date of the administrative review hearing. This form is required by OAC rule 5101:12-50-32.5. No changes are being made to the current version at this time.</p>	

## **INSTRUCTIONS:**

When the CSPMTL is published, the CSPM will be updated as follows:

- An amended rule will be inserted and the previous version will be moved to the OAC Archive section of the eManuals.
- A no change rule will continue with the same effective date.
- A revised form will be replaced with the amended form.

The rules and forms in the CSPM can be accessed at:

<http://emanuals.odjfs.state.oh.us/emanuals>.

## **INSTRUCTIONS for CSEA INTERNAL PROCEDURAL HANDBOOK:**

Paragraph (I)(1) of OAC rule 5101:12-1-01 states that, whenever a program change requires modification of local procedures, the CSEA is required to revise its internal procedural handbook and submit the revision to OCS within thirty days of the revision. The CSEA should carefully review the amended rules contained in this CSPMTL to determine whether they require the CSEA to update its internal procedural handbook.

5101:12-50-30      **Federal offset program.**

(A) The federal offset program includes the following:

- (1) Federal income tax refund program, as established by the Child Support Amendments of 1984, Pub. L. No. 113-183, 128 Stat. 1944, 42 U.S.C. 664, September 29, 2014;
- (2) Financial institution data match program, as established by the Child Support Performance and Incentive Act of 1998, Pub L. No. 113-183, 128 Stat. 1944, 42 U.S.C. 666, September 29, 2014; and
- (3) Passport denial program, as established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 113-183, 128 Stat. 1943, 42 U.S.C. 652, September 29, 2014.

(B) The federal office of child support enforcement matches obligor data contained in the federal tax offset file submitted by Ohio to obligor data from the internal revenue service, data submitted by financial institutions participating in the financial institution data match program, and passport data maintained by the United States department of state. Details regarding the processes involved in these programs are contained in rules 5101:12-50-32 to 5101:12-50-32.10 and 5101:12-50-34 of the Administrative Code.

Five Year Review (FYR) Dates: 2/3/2021 and 02/01/2026

CERTIFIED ELECTRONICALLY

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Certification

02/03/2021

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Date

Promulgated Under: 119.03  
Statutory Authority: 3125.25  
Rule Amplifies: 3125.03, 3125.25  
Prior Effective Dates: 11/09/1981, 06/10/1982 (Emer.), 09/13/1982,  
05/01/1986 (Emer.), 07/20/1986, 11/01/1986,  
12/20/1988, 03/18/1989, 08/09/1990, 04/01/1991,  
11/01/1991, 07/01/1992, 02/11/1993, 09/01/1994,  
11/01/1994, 01/01/1996, 08/01/1998, 05/01/2001,  
04/11/2003, 07/01/2006, 01/01/2016

5101:12-50-32 **Federal income tax refund offset program.**

(A) This rule and its supplemental rules describe the process of collecting child support arrears through the federal income tax refund offset program.

(B) The following terms and definitions apply to this rule and its supplemental rules:

- (1) "Adjustment" means a reduction that is made to the amount of a federal income tax refund offset that has been previously disbursed to a state by the bureau of fiscal service.
- (2) "Bureau of fiscal service" (BFS) is the service operated by the United States department of treasury for the purpose of processing payments on behalf of the federal government.
- (3) "Injured spouse" is a non-obligated individual who files a joint federal income tax return with an obligor.
- (4) "Injured spouse claim" means a claim filed by the injured spouse with the internal revenue service (IRS) for the purpose of recovering that portion of the joint income tax refund to which the injured spouse is entitled.
- (5) "Intergovernmental case" has the same meaning as in rule 5101:12-70-05 of the Administrative Code.
- (6) "Invalid offset" means a completed federal income tax refund offset that the IV-D agency is not entitled to receive.
- (7) "State payment" means a refund made to an obligor based on a federal income tax refund offset to rectify an invalid offset or other circumstance.

Five Year Review (FYR) Dates: 2/3/2021 and 02/01/2026

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05/01/1986 (Emer.), 07/20/1986, 11/01/1986,  
12/20/1988, 03/18/1989, 08/09/1990, 04/01/1991,  
11/01/1991, 07/01/1992, 02/11/1993, 09/01/1994,  
11/01/1994, 01/01/1996, 08/01/1998, 05/01/2001,  
04/11/2003, 07/01/2006, 09/01/2011, 01/01/2016

5101:12-50-32.1 **Submission criteria.**

- (A) This rule describes the criteria used to submit an obligor in a IV-D case for federal income tax refund offset using the Ohio tax offset file. Every obligor in a IV-D case who meets the submission criteria shall be submitted for federal income tax refund offset. The consent of an obligee is not necessary prior to submission. The obligee may not choose whether an obligor is submitted for federal income tax refund offset as long as the case remains a IV-D case.
- (B) When the obligor has more than one order with assigned arrears, the obligor's assigned arrears are aggregated to determine whether the obligor meets the assigned arrears submission threshold. When the obligor has more than one order with unassigned arrears, the obligor's unassigned arrears are aggregated to determine whether the obligor meets the unassigned arrears submission threshold. The assigned arrears and unassigned arrears are listed separately on the tax offset file.
- (C) An obligor shall be submitted when the following criteria are met:
- (1) The obligor's case is a IV-D case;
  - (2) The obligor's arrears are for:
    - (a) Child support;
    - (b) Spousal support, if it is included as part of child support order; or
    - (c) Medical support, if a specific dollar amount of medical support is included in the order.
  - (3) The obligor's arrears are:
    - (a) Assigned arrears as described in rule 5101:12-80-10 of the Administrative Code and:
      - (i) The arrears are equal to or greater than one hundred fifty dollars;
      - (ii) The arrears have been delinquent for thirty days or more; and
      - (iii) The arrears may be submitted regardless of the age of the child.
    - (b) Unassigned arrears as described in rule 5101:12-80-10 of the Administrative Code and:
      - (i) The arrears are equal to or greater than five hundred dollars;

(ii) The arrears have been delinquent for thirty days or more; and

(iii) The arrears may be submitted regardless of the age of the child.

(D) Ohio will submit an obligor in an intergovernmental case for federal income tax refund offset when Ohio is the state that initiated the intergovernmental case.

(E) Ohio will submit an obligor who has filed for bankruptcy protection on or after October 17, 2005. An obligor who filed for bankruptcy protection prior to that date will not be submitted unless the bankruptcy has been discharged or other relief from bankruptcy protection has been secured by the child support enforcement agency.

Five Year Review (FYR) Dates: 2/3/2021 and 02/01/2026

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12/20/1988, 03/18/1989, 08/09/1990, 04/01/1991,  
11/01/1991, 07/01/1992, 02/11/1993, 09/01/1994,  
11/01/1994, 01/01/1996, 08/01/1998, 05/01/2001,  
04/11/2003, 07/01/2006, 05/15/2008, 09/01/2011

5101:12-50-32.2      **The federal match process and pre-offset notice.**

- (A) An obligor who meets the submission criteria described in rule 5101:12-50-32.1 of the Administrative Code will be submitted to the federal office of child support enforcement (OCSE) by the office of child support within the Ohio department of job and family services in a tax offset file on a weekly basis. This rule describes the process that occurs after the Ohio tax offset file is transmitted to OCSE.
- (B) Upon receipt of the Ohio tax offset file, OCSE transmits the file to the federal bureau of fiscal service (BFS). BFS maintains a master database which contains information on taxpayers who owe debts to various governmental agencies, including the Ohio tax offset file. BFS, the social security administration (SSA), and the internal revenue service (IRS) then take the following steps:
- (1) Information contained in the master database is matched against data maintained by the IRS and SSA in order to verify the name, address, and social security number (SSN) of each obligor submitted;
  - (2) IRS and SSA notify BFS of the name, address, and SSN information that has been verified;
  - (3) BFS compares data received from IRS and SSA against the information for each obligor submitted to OCSE in the Ohio tax offset file; and
  - (4) BFS transmits the verified data to OCSE for the purpose of generating the pre-offset notice described in paragraph (C) of this rule.
- (C) OCSE sends a pre-offset notice to each obligor whose name, address, and SSN was verified. The pre-offset notice is issued by the OCSE when:
- (1) An obligor has not previously been submitted for the federal tax offset program and the obligor has not previously received a pre-offset notice;
  - (2) An obligor was previously submitted but was deleted from the Ohio tax offset file because the debt was satisfied but subsequent arrears have accrued. In this case, the obligor may have previously received a pre-offset notice but the arrears were subsequently reduced to zero before beginning to accrue again. A second pre-offset notice will be issued if the previous notice was issued more than three hundred sixty-five days prior to the date of re-submission; or
  - (3) An obligor is added to the Ohio tax offset file.
- (D) The qualifying submittal is held by OCSE for a minimum of thirty days before it is submitted to BFS in order to allow the pre-offset notice to be sent. No succeeding pre-offset notices are sent.

(E) The pre-offset notice advises the obligor of the following:

- (1) The obligor's right to file a request for an administrative review for the purpose of contesting the arrears;
- (2) The obligor's right to request an administrative review in either the submitting state or the state where the support order was issued;
- (3) The procedures and time frames for requesting the administrative review; and
- (4) That BFS will notify the injured spouse of the steps required to protect the share of the tax refund which may be payable to the injured spouse.

Five Year Review (FYR) Dates: 2/3/2021 and 02/01/2026

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Certification

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05/01/1986 (Emer.), 07/20/1986, 11/01/1986,  
12/20/1988, 03/18/1989, 08/09/1990, 04/01/1991,  
11/01/1991, 07/01/1992, 02/11/1993, 09/01/1994,  
11/01/1994, 01/01/1996, 08/01/1998, 05/01/2001,  
04/11/2003, 07/01/2006, 01/01/2016

5101:12-50-32.3      **Adding, updating, and deleting obligors from the Ohio tax offset file.**

- (A) This rule describes the process for adding, updating, and deleting obligor information.
- (B) An Ohio tax offset file is submitted each week to the federal office of child support enforcement (OCSE). The Ohio tax offset file:
- (1) Includes the name and social security number of any obligor who met the federal income tax refund offset submission criteria during the past week and was not previously submitted or, if previously submitted, had been deleted;
  - (2) Updates information regarding previously submitted obligors; and
  - (3) Deletes obligors who are no longer eligible.
- (C) An obligor who becomes eligible for federal tax offset is automatically added to the Ohio tax offset file when the submission criteria described in rule 5101:12-50-32.1 of the Administrative Code are met. An obligor who had previously been submitted and subsequently deleted from the Ohio tax offset file shall be resubmitted when:
- (1) Collections reduce the arrears below the submission threshold and new qualifying arrears subsequently accrue;
  - (2) An update to obligor information results in the arrears being reduced below the submission threshold and new qualifying arrears subsequently accrue; or
  - (3) The arrears were previously submitted, then deleted as described in paragraph (E) of this rule, and are now being resubmitted.
- (D) The Ohio tax offset file includes updated information for an existing submission when:
- (1) There is any change in the amount of the arrears;
  - (2) The arrears are modified to zero or to an amount that is below the submission threshold;
  - (3) The child support enforcement agency (CSEA) changes the indicator that excludes the submitted obligor from other federal offset programs such as passport denial;
  - (4) The submission indicator in the Ohio tax offset file changes from assigned to unassigned status or vice versa; or
  - (5) For any other transaction listed in paragraph (F) of this rule.

(E) A submission is deleted from the Ohio tax offset file when:

- (1) The arrears amount is paid below the submission threshold;
- (2) The CSEA modifies the arrears to an amount that is below the submission threshold;
- (3) The CSEA completes an administrative review that results in the reduction of arrears below the submission threshold; or
- (4) A supervisor within the CSEA has approved the deletion of the submission from the Ohio tax offset file.

(F) The support enforcement tracking system transmits the following transaction indicators to OCSE:

- (1) "A" adds a new submission;
- (2) "B" changes the name of the obligor;
- (3) "D" deletes an existing submission;
- (4) "L" changes the local state code for the submitting state;
- (5) "M" modifies the arrears, which results in an increase or decrease in the amount of arrears;
- (6) "R" replaces the current "yes" indicator with a "no" indicator, or a "no" indicator with a "yes" indicator, for offset submission or passport denial submission;
- (7) "S" indicates the accumulated state payment amount;
- (8) "T" indicates an order has been transferred to the state that issued the order for administrative tax offset review;
- (9) "Y" resubmits an obligor and includes the obligor's address when the submission was previously been rejected because OCSE could not locate an address for the obligor; and
- (10) "Z" updates the obligor's address.

(G) OCSE processes the transactions in the order indicated in paragraph (F) of this rule.

(H) OCSE will use an updated address submitted through a "Y" or "Z" indicator to issue any future pre-offset or offset notices.

- (1) When an obligor's submission has been rejected by OCSE because OCSE could not locate the obligor's address and the CSEA subsequently obtains a valid obligor address, the CSEA shall use the "Y" indicator to resubmit the obligor and provide the obligor's address.
- (2) When the CSEA obtains a new valid address for the obligor and chooses to submit the changed address to OCSE, the CSEA shall use the "Z" indicator to submit the new address.

Once the CSEA has used a "Y" or "Z" indicator, the CSEA shall submit all future address changes using the appropriate "Y" or "Z" indicator.

Five Year Review (FYR) Dates: 2/3/2021 and 02/01/2026

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12/20/1988, 03/18/1989, 08/09/1990, 04/01/1991,  
11/01/1991, 07/01/1992, 02/11/1993, 09/01/1994,  
11/01/1994, 01/01/1996, 08/01/1998, 05/01/2001,  
04/11/2003, 07/01/2006

5101:12-50-32.4 **Rejected submissions.**

- (A) For purposes of this rule, "rejected submission" means a rejection by the federal office of child support enforcement (OCSE) of the submission of an obligor for federal income tax refund offset that is included as an addition, deletion, or update in the Ohio tax offset file.
- (B) OCSE may reject a submission for any reason including, but not limited to, the following:
- (1) An invalid social security number;
  - (2) The submission already exists on the OCSE tax offset file;
  - (3) The submission is a duplicate submission;
  - (4) The state payment amount is invalid;
  - (5) OCSE cannot locate the record that the submission is intended to modify;
  - (6) The last name of the obligor submitted does not match the last name for that obligor in the OCSE tax offset file;
  - (7) The state payment submission was received but OCSE cannot locate an offset payment for the offset year in question;
  - (8) The submission had previously been deleted;
  - (9) The last name and the social security number (SSN) in the submission do not match; or
  - (10) An SSN is submitted and OCSE provides a different SSN.
- (C) Rejected submissions appear on two reports.
- (1) The first report contains two types of rejected submissions.
    - (a) The first type of rejection on the report contains submissions that are rejected by OCSE due to the inability of OCSE to verify an obligor's address for the purpose of issuing a pre-offset notice; and
    - (b) The second type of rejection on the report contains submissions for which the office of child support within the Ohio department of job and family services has included an SSN for an obligor that OCSE has been unable to verify using the process described in rule 5101:12-50-32.2 of the

Administrative Code. The report contains different SSNs than the SSN that was submitted by OCS. The different SSNs have been obtained from the social security administration by OCSE.

- (2) The second report lists submissions resulting from additions, deletions, or updates to the Ohio tax offset list that were rejected by OCSE for any reason not included in the first report.
- (D) A child support enforcement agency (CSEA) shall review the reports and take the appropriate action necessary to resolve the issue that resulted in the rejection of the submission. The inability of a CSEA to resolve a rejection may have a negative impact on incentives received by the CSEA and may result in:
- (1) The CSEA failing to receive the offset;
  - (2) The CSEA failing to receive the full amount of the offset; or
  - (3) The CSEA receiving an invalid offset.

Five Year Review (FYR) Dates: 2/3/2021 and 02/01/2026

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05/01/1986 (Emer.), 07/20/1986, 11/01/1986,  
12/20/1988, 03/18/1989, 08/09/1990, 04/01/1991,  
11/01/1991, 07/01/1992, 02/11/1993, 09/01/1994,  
11/01/1994, 01/01/1996, 08/01/1998, 05/01/2001,  
04/11/2003, 07/01/2006, 09/01/2011

5101:12-50-32.5 **Administrative offset review of federal income tax refund offset program submittals.**

(A) An obligor may contest the federal income tax refund offset program submittal by requesting an administrative offset review within thirty days of the date of the preoffset notice. The obligor must submit the request for the administrative offset review to the child support enforcement agency (CSEA) that has administrative responsibility for the order.

(B) Administrative review procedure when the CSEA receives a request from an obligor.

(1) Within ten days of receipt of the request for an administrative offset review, the CSEA shall issue a JFS 01850, "~~Notice of Scheduled Income Tax Refund Offset Review~~"07650, "Scheduling Notice for Administrative Review of Income Tax Refund Offset" (effective or revised effective date as identified in rule 5101:12-50-99 of the Administrative Code), to the obligor. The CSEA shall also issue the JFS 01850 "Notice of Scheduled Income Tax Refund Offset Review" (effective or revised effective date as identified in rule 5101:12-50-99 of the Administrative Code) to the obligee when ~~the case is non-Ohio works first (OWF) or medicaid-only case~~there are unassigned arrears.

(2) The administrative offset review shall be limited to:

(a) The accuracy of the submitted arrears;

(b) Any evidence provided by the obligor or obligee that increases or decreases the submitted arrears; or

(c) The identity of the individual submitted.

When the obligor is contesting a joint federal income tax refund that has not yet been offset, the CSEA shall advise the obligor that the internal revenue service (IRS) will notify the injured spouse of the necessary steps that must be taken at the time of the offset.

(3) At the conclusion of the administrative offset review, the CSEA shall do the following:

(a) Enter any changes required as a result of the review into the support enforcement tracking system (SETS).

(b) Send a JFS 07544, "Administrative Review for Income Tax Refund Offset Review Results" (effective or revised effective date as identified in rule 5101:12-50-99 of the Administrative Code), and a copy of the complete arrears calculation, if any, to the obligor. The CSEA shall also send the

JFS 07544 and arrears calculation, if any, to the obligee when a JFS 01850 had been issued to the obligee.

(4) The administrative offset review process shall be completed within thirty days of the date of the request for review.

(C) Administrative offset review procedure when the Ohio interstate central registry (ICR) within the office of child support (OCS) receives a request from another state.

(1) The ~~interstate central registry (ICR) within OCS~~ ICR may receive a request for an administrative offset review from the state that submitted the offset when:

(a) An obligor in that state requests an administrative offset review; and

(b) The support order was issued by a court or a CSEA in Ohio.

(2) When the ICR receives a request for administrative review, it shall immediately send the request to the CSEA in the county with administrative responsibility for the support order.

(3) When the CSEA receives the request for administrative offset review from the ICR, it shall:

(a) Complete the review within forty-five days of the date of the request for review from the submitting state; and

(b) Promptly notify the child support agency in the submitting state of the results of the administrative review.

The office of child support enforcement (OCSE) will report any adjustments received as a result of the administrative review to the child support agency in the submitting state.

(4) CSEA responsibility for the administrative offset review of an intergovernmental case by a state other than Ohio.

(a) When a CSEA submits an obligor for federal income tax refund offset based on a support order that was issued by a state other than Ohio, the obligor may request an administrative offset review in the state with jurisdiction over the order.

(b) When the CSEA receives a request for an administrative offset review in the state with jurisdiction over the order, it shall send the following

documentation to that state within ten days of the request for the administrative offset review:

- (i) A certified copy of the support order and any modifications;
  - (ii) A certified copy of the payment history or affidavit of the obligee when:
    - (a) Any of the arrears are unassigned; and
    - (b) No official payment history exists for the case;
  - (iii) When any of the arrears are unassigned, the current address of the obligee; and
  - (iv) The amount of arrears submitted for offset.
- (c) At the conclusion of the administrative offset review, the state that conducted the administrative offset review will notify the obligor and the state that submitted the obligor of the results of the administrative offset review. The state that submitted the obligor for offset will notify OCSE of the results of the review.
- (d) OCSE or the other state will report any changes made by the other state as a result of the review to OCS which shall forward them to the CSEA.
- (e) Any update to the arrears of a obligor that is made as a result of an administrative offset review has the same force and effect as an update that was made by the CSEA. The CSEA shall take the following actions:
- (i) If the offset has already been made, the CSEA shall promptly take steps to refund any excess amount to the obligor; and
  - (ii) Report the state payment to OCS immediately but no later than five days from the date the payment is made.

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01/01/2016

5101:12-50-32.6      **The federal income tax refund offset process.**

(A) An obligor is subject to federal income tax refund offset when the following conditions have been met:

- (1) The federal income tax refund offset submission criteria ~~has~~have been met;
- (2) The federal office of child support enforcement (OCSE) has certified that the obligor is eligible for federal income tax refund offset; and
- (3) The internal revenue service has notified the bureau of fiscal service (BFS) that the obligor will receive a federal income tax refund.

(B) BFS will satisfy submitted debts in the following priority:

- (1) Federal tax debts;
- (2) Assigned and unassigned child support debts;
- (3) Other federal debts; and
- (4) State tax debts.

(C) The federal income tax refund offset process.

- (1) BFS sends an offset notice to the obligor after FMS has processed the offset but before the office of child support (OCS) within the Ohio department of job and family services has been notified of the offset. BFS will also send a notice to a joint federal taxpayer who filed taxes jointly with the obligor, advising the joint federal taxpayer of the steps required to protect the share of the tax refund that may be payable to the joint federal taxpayer.
- (2) When the obligor cannot be located, the federal tax refund offset will be reversed by BFS.
- (3) BFS notifies OCSE on a weekly basis of offsets and adjustments that occur.
- (4) OCSE issues to OCS the reports that include obligors for whom offsets and adjustments have occurred and the amounts of those offsets and adjustments. These reports are described in paragraph (C)(1) of rule 5101:12-50-32.8 of the Administrative Code.
- (5) BFS sends the offset amounts to the Ohio office of the treasurer.

- (6) The Ohio office of the treasurer notifies the office of fiscal and monitoring services (OFMS) within the Ohio department of job and family services of receipt of the offset amounts.
  - (7) OFMS then transfers the offset amounts, together with the amount of any fees and adjustments to cover one hundred per cent of the offset amount, to the Ohio child support payment central (CSPC) for disbursement.
  - (8) CSPC processes the offset amount received to the appropriate order in the support enforcement tracking system (SETS).
- (D) Offset amounts shall be considered collections in the month in which they are received and applied to any arrears of the obligor that met the offset criteria.
- (E) When a state has CSENet collection (COL) transaction capability with Ohio, the COL P CITAX transaction will be automatically sent to the state by SETS whenever an offset collection is received.
- (F) If the state does not have CSENet COL transaction capability with Ohio, or the child support enforcement agency (CSEA) determines that the transaction was not sent, the CSEA shall send the OMB 0970-0085, "Transmittal #3 - Request for Assistance/Discovery," to any other state that is involved in the enforcement of the intergovernmental case no later than three business days from the receipt of an offset amount in an intergovernmental case. The OMB 0970-0085 notifies the other state of the receipt of the offset amount.

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5101:12-50-32.7      **Service fee.**

- (A) The bureau of fiscal service (BFS) charges a service fee for each completed federal income tax refund offset. BFS deducts the service fee from the offset amount prior to issuing the offset amount to the office of fiscal and monitoring services (OFMS) within the Ohio department of job and family services.
- (B) Upon receipt, OFMS will transfer to the Ohio child support payment central (CSPC) the offset amount together with an amount equal to any fees or adjustments that had been deducted by BFS.
- (C) Upon receipt, CSPC will process the offset to the order in the support enforcement tracking system.
- (D) When an adjustment of an offset as described in rule 5101:12-50-32.9 of the Administrative Code equals the full amount of the offset, BFS will return the service fee to OFMS.

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5101:12-50-32.8 **Federal income tax refund offset reports.**

- (A) The office of child support (OCS) within the Ohio department of job and family services shall provide to the child support enforcement agency (CSEA) federal income tax refund offset reports. These reports contain information about federal income tax refund offset collections, federal adjustments, federal offset fees, federal filing status, and other identifying information.
- (B) The CSEA shall review the federal income tax refund offset reports to identify any case for which it has administrative responsibility and take appropriate action as required in this rule.
- (C) There are three categories of federal income tax refund offset reports that provide information to or require action by the CSEA:
- (1) Two information-only reports are created upon receipt of a tax offset file from the federal office of child support enforcement (OCSE). One report contains a list of all federal income tax refund offset collections and adjustments that may be automatically processed by the support enforcement tracking system (SETS) ~~as long as~~ when there are no changes to the case in SETS that would prevent such automatic processing. The second report contains a list of all federal income tax refund offset collections and adjustments that cannot be automatically processed by SETS. The CSEA shall review the reports to determine whether any action must be taken to ensure the collections are processed appropriately.
  - (2) Two collection and adjustment reports are created upon completion of the federal income tax refund offset process described in rule 5101:12-50-32.6 of the Administrative Code. One report contains a list of all collections and adjustments received from federal income tax refund offsets that were automatically processed by SETS. The second report contains a list of adjustments received from federal income tax refund offsets that could not be automatically processed by SETS.

When an adjustment appears on either report, the CSEA may need to collect any disbursed funds as described in rule 5101:12-50-32.9 of the Administrative Code. ~~When the funds are recovered through the recoupment process, the CSEA may also request a manual check from the payment analysis and account reconciliation bureau (PAAR) within OCS in order to repay the administrative fund.~~

- (3) An exclusion report is created by child support payment central (CSPC) within OCS upon receipt of the federal tax offset file from OCSE that contains a list of all offsets that could not be automatically processed by SETS. The CSEA shall work with ~~CSPC and PAAR~~ the payment analysis and account reconciliation

(PAAR) bureau within OCS to identify the collections that appear on this report so that they may be processed in SETS.

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5101:12-50-32.9      **Federal adjustments, state payments, and recovery of disbursed federal tax offset collections.**

- (A) This rule describes the federal tax offset adjustment process. There are certain circumstances, including invalid offsets, that require a federal income tax refund offset to be returned to the taxpayer (who may or may not be the obligor). This is accomplished either through a federal adjustment or a state payment.
- (B) A federal adjustment may occur as a result of a number of circumstances, which include but are not limited to when:
- (1) An injured spouse claim is filed with the internal revenue service (IRS) and the injured spouse is entitled to a portion or all of the federal tax refund;
  - (2) The obligor files an amended federal income tax return and the amount available for offset is reduced; or
  - (3) The obligor files a federal income tax return using an incorrect social security number.
- (C) The child support enforcement agency (CSEA) shall be required to issue a state payment to the taxpayer when:
- (1) The CSEA receives a federal tax refund offset in an amount greater than the arrears amount that was last accepted by the federal office of child support enforcement;
  - (2) An obligor was submitted but did not meet the federal tax offset submission criteria;
  - (3) An obligor was submitted with an incorrect arrears amount;
  - (4) An obligor was submitted using an incorrect social security number;
  - (5) An income tax refund offset review was conducted that resulted in a decrease in the arrears amount and the offset occurred before the update was processed; or
  - (6) The obligor paid the arrears below the threshold after the tax offset occurred but prior to disbursement of the tax offset amount.
- (D) The federal adjustment process.
- (1) When there is a federal tax offset adjustment, the tax offset collection is returned to the obligor and the bureau of fiscal services (BFS) reduces the amount of the tax offset that was previously disbursed to the state.

(2) Injured spouse claims.

- (a) When the IRS determines that an injured spouse is entitled to a portion or all of the federal tax refund, the IRS sends the refund directly to the injured spouse. When a refund is sent to an injured spouse via electronic funds transfer to a closed account, the amount due the injured spouse will be reversed by BFS.
- (b) The CSEA may delay distribution of the federal tax offset collection received as the result of a joint return until it is notified by the IRS that the injured spouse has received the proper share of the refund, or for six months, whichever is earlier.

(E) The state payment process.

- (1) When a CSEA issues a state payment to an obligor, it shall report the state payment to the office of child support (OCS) within the Ohio department of job and family services (ODJFS) immediately but no later than five days from the date the payment is made using the JFS 07017 "Update of IRS Tax Refund Offset Submittal" (effective or revised effective date as identified in rule 5101:12-50-99 of the Administrative Code).
- (2) When the CSEA issues a state payment to an obligor and submits a JFS 07017 for that state payment, and then an additional state payment is made to that obligor for the same processing year, the CSEA shall submit a second JFS 07017 and report the total year-to-date amount for the processing year on the second JFS 07017.
- (3) The CSEA shall include the processing year in the report of a state payment.

(F) Recovery of disbursed federal tax offset collection.

- (1) When a federal adjustment is made on a collection that has been disbursed to assigned arrears, the disbursed collection shall be recovered from ODJFS.
- (2) When a federal adjustment is made on a collection that has been disbursed to the obligee or an alternate payee, the CSEA shall recover the disbursed collection using one or both of the following options:
  - (a) The CSEA may recover the collection from the obligee or the alternate payee through the recoupment process described in rule 5101:12-80-05.6 of the Administrative Code.

- (b) The CSEA may recover a collection disbursed to the obligee or alternate payee from the obligor by establishing an account for the case within the support enforcement tracking system (SETS) payable to the CSEA to recover the amount. When the CSEA establishes the account, the following shall apply:
- (i) The CSEA shall use the "OTHER FEES NO PMT/ IRS ADJ REIMB" account in SETS where collections will allocate below all other support obligations in the allocation hierarchy. The account shall include any subsequent adjustment for which the CSEA uses this method of recovery;
  - (ii) The balance of the account shall not increase the total arrears owed by the obligor; and
  - (iii) The balance added to the account shall not exceed the amount expended by the CSEA and disbursed to the obligee or the alternate payee as support.

When the CSEA chooses to use the option described in paragraph (F)(2)(b) of this rule but doing so would increase the total arrears owed by the obligor on the case, the CSEA must instead use a combination of the options described in paragraphs (F)(2)(a) and (F)(2)(b) of this rule, or in the alternative must use the option described in paragraph (F)(2)(a) of this rule exclusively. The total combined amount of the balances created as a result of using the options described in paragraphs (F)(2)(a) and (F)(2)(b) of this rule shall not exceed the amount disbursed to the obligee or alternate payee.

The CSEA shall be responsible to track any account or accounts established pursuant to paragraph (F)(2) of this rule to ensure recovery of funds that have been disbursed to the obligee or alternate payee.

- (3) When a CSEA has issued a state payment to a taxpayer in accordance with paragraph (C) of this rule but a federal adjustment subsequently occurs against the original tax offset collection that led to the state payment, the CSEA shall recover the state payment through the recoupment process described in rule 5101:12-80-05.6 of the Administrative Code.

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5101:12-50-32.10 **Joint refunds.**

A federal income tax refund offset collection from a joint return shall be disbursed as follows:

- (A) Assigned arrears collections will be disbursed ~~monthly~~ immediately at the end of every month to the Ohio department of job and family services.
- (B) Unassigned arrears will be disbursed six months after receipt or upon notification that the injured spouse has received the proper share of the refund, whichever occurs earlier. For the purpose of this rule, the term "receipt" refers to the date the office of child support receives the reports described in paragraph (C)(1) of rule 5101:12-50-32.8 of the Administrative Code.
- (C) Amounts in excess of any unassigned arrears will be disbursed to the obligor within two business days of the date the payment was applied to the order.

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**5101:12-50-99 Chapter 5101:12-50 forms - enforcement of the support order.**

The forms identified in this rule are referenced within various rules contained within division 5101:12 of the Administrative Code. The effective or revised effective dates of the forms are as follows:

- (A) JFS 01834, "Notice of Ohio Income Tax Refund Offset for Child Support Overpayment" (12/2004);
- (B) JFS 01835, "Notice of Ohio Income Tax Refund Offset for Overdue Support" (rev. 8/2005);
- (C) JFS 01850, "Notice of Scheduled Income Tax Refund Offset Review" (rev. 1/2016);
- (D) JFS 01851, "Notice of Denial of Request for Income Tax Refund Offset Review" (rev. 2/2019);
- (E) JFS 01852, "Decision on Request for Collection of Child Support Overpayment" (12/2004);
- (F) JFS 01853, "Notice Regarding Request to Reschedule Income Tax Refund Offset Review" (rev. 2/2019);
- (G) JFS 01854, "Request for Collection of a Child Support Overpayment" (rev. 12/2004);
- (H) JFS 04017, "Notice to Deduct Funds for Child and Spousal Support" (2/2019);
- (I) JFS 04043, "Notice to Payor/Office of Unemployment Compensation/Financial Institution to Terminate the Withholding from Obligor's Income/Assets" (rev. 12/2005);
- (J) JFS 04048, "Addendum to a Withholding Order" (rev. 11/2009);
- (K) JFS 07017 "Update of IRS Tax Refund Offset Submittal" (rev. ~~4/2018~~6/2021);
- (L) JFS 07021, "Authorization to Include Delinquent Obligor on Poster" (04/92);
- (M) JFS 07022, "Notice to Obligor: Inclusion on Poster" (04/92);
- (N) JFS 07023, "Selection for 'Most Wanted List'" (04/92);
- (O) JFS 07024, "'Most Wanted List' Fact Sheet" (04/92);
- (P) JFS 07073, "Request to Submit a Case to U.S. District Court" (rev. 12/2006);

(Q) JFS 07544, "Administrative Review for Income Tax Refund Offset Review Results" (rev. 1/2016);

(R) JFS 07650, "Scheduling Notice for Administrative Review of Income Tax Refund Offset" (rev. 7/2005);

~~(R)~~(S) JFS 07726, "Administrative Order for Release or Transmittal of Lump Sum Payment" (rev. 2/2019); and

~~(S)~~(T) JFS 07727, "Administrative Order for Release of Lump Sum Payment" (2/2019).

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