

Frequently Asked Questions (FAQs) on Economic Impact (Stimulus) Payments and the Treasury Offset Program

On March 13, 2020, the President of the United States declared a national emergency due to the COVID-19 pandemic. NC Child Support Services (NCCSS) has received information from the Treasury Offset Program (TOP), which collects federal nontax and state debts, and has prepared the following frequently asked questions (FAQs) to address inquiries during this crisis. These FAQs are based on information available to NCCSS at this time, and NCCSS will update these FAQs as new information becomes available.

Economic Impact Payments:

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which authorizes economic impact payments (also referred to as “stimulus payments” or “recovery rebate payments”) to eligible individuals. For details on these economic impact payments, please visit www.irs.gov/coronavirus.

I owe delinquent debt. Will my economic impact payment be offset?

- The economic impact payments can be offset through the Treasury Offset Program (TOP) only to collect delinquent child support obligations that have been referred by the state to the TOP.

If I owe child support, will I be notified that my federal stimulus rebate payment is going to be applied to my child support arrearage balance?

- Yes. You were sent a notice when your case was initially submitted for the federal tax refund offset. The federal government should send an offset notice to you when your stimulus rebate payment has been intercepted. The notice will tell you that your stimulus rebate payment has been applied to your child support debt and to contact the Child Support Division if you believe this was done in error.

I do not know if I have a delinquent child support debt. Who can I call to check?

- If you have questions regarding whether you owe a child support debt that has been referred to the Treasury Offset Program (TOP), you can call the TOP Interactive Voice Response (IVR) system at 1-800-304-3107.

If I qualify for an economic impact payment, and I have children, how much will I receive?

- Individuals whose adjusted gross income was less than \$75,000, and those who filed as the head of household with an adjusted gross income less than \$112,500, will receive \$1,200. Married couples, filing jointly, who make less than \$150,000, will receive \$2,400. For people who make more, the payment amount is reduced by \$5 for each \$100 above the \$75,000/\$112,500/\$150,000 amounts. Parents also receive an additional \$500 for each qualifying child. Those who file as single, with an income exceeding \$99,000, \$136,500 for the head of household, and \$198,000 for joint filers with no children, are not eligible and will not receive payments.

How much of my economic impact payment can be offset to satisfy my delinquent child support debt?

- The economic impact payments can be offset through the Treasury Offset Program (TOP) only to collect delinquent child support obligations that have been referred by the state to the TOP.

What child support obligations are referred by the State to the Treasury Offset Program (TOP)?

- The threshold varies by the type of delinquency, known as arrears, owed. Cases with public assistance arrears are eligible if the total balance for all of his/her cases are at least \$150. For non-public assistance arrears, the total balance from all his or her cases must be at least \$500 to be eligible.

When will the economic impact payment be applied to my child support account and payment released to the parent who receives support?

- If the parent who owes support files a joint tax return with his/her spouse, it may take up to six (6) months for the payment to be applied and distributed to the parent who receives support. This allows the spouse of a parent responsible for support to appeal as an injured spouse as described below.

What if I am not the responsible party that owed the delinquent child support debt?

- If you are receiving your economic impact payment jointly with your spouse and only the spouse owes the child support debt, you can file an Injured Spouse form with the IRS. Please visit the IRS website at <https://www.irs.gov/forms-pubs/about-form-8379> to file your claim.
- If you are married and filing jointly and you filed an injured spouse claim with your 2019 tax return (or 2018 tax return if you haven't filed your 2019 tax return), half of the total payment will be sent to each spouse and your spouse's payment will be offset only for past-due child support. There is no need to file another injured spouse claim for the payment.
- You can also choose to waive your right to file an injured spouse claim. You can contact the NC Customer Service Center at 1-800-992-9457 and request an Affidavit to Release Joint Tax Return form. By completing this form and sending it to NCCSS, the amount of the economic impact payment can be applied to the child support arrearage without the otherwise required six-month delay.

If I am the custodial parent, and I'm currently receiving or have ever received Temporary Assistance for Needy Families (TANF) or Medicaid for my child, will I receive any money from a stimulus rebate payment intercepted by the federal government from the noncustodial parent on my case?

- Maybe. Federal law dictates how monies received by a state child support agency under the Federal Tax Refund Offset Program are distributed. In North Carolina, federal tax offsets are applied first to assigned arrears, or arrears owned by the state, and then to arrearages owed to the family. If there is money owed to the state, the intercepted stimulus payments, up to the amount owed to the state, will be retained by the state. The remainder of money will be sent to you, up to the amount of unassigned arrears owed to you by the noncustodial parent. The amount of money you are entitled to receive will depend on a number of factors, including the amount of

the stimulus rebate payment intercepted, the amounts owed to you in your case, and the number of other child support cases in which the noncustodial parent owes child support arrears.

If I am the custodial parent, and I've never received TANF or Medicaid for my child, will I receive any money from a stimulus rebate payment intercepted by the federal government from the noncustodial parent on my case?

- Maybe. If the noncustodial parent owes you child support arrears and the total arrears on all the noncustodial parent's cases meets the threshold amounts indicated in Question #6, then you should be entitled to receive monies intercepted from the noncustodial parent's stimulus rebate payment. The amount of the money you receive will depend on a number of factors, including the amount of the stimulus rebate payment intercepted, the amounts owed to you in your case, and the number of other child support cases in which the noncustodial parent owes child support arrears.

Where can I find additional information, including questions about eligibility, tax returns and receiving payments?

- These questions, and others, can be answered by visiting the IRS website at www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know.