

AT 2002-014, Appendix 01
IRS Full Service Collection

Purpose

This item notifies all IV-D staff that the Office of Child Support has raised the arrearage threshold from \$1,000 to \$20,000 for a case to be eligible for referral to the Secretary of the Treasury for collection services (also known as "IRS Full Service Collection"). The intent of raising the threshold is to allow staff sufficient opportunity to attempt all State enforcement remedies for the recovery of arrearages before the case is considered for IRS Full Service Collection.

Policy

Federal regulation allows state IV-D offices to refer cases for IRS Full Service Collection when the following criteria have been met:

- (1) There shall be a court or administrative order for support;
- (2) The amount to be collected under the support order shall be at least \$750 in arrears (states can raise that threshold);
- (3) At least six months shall have elapsed since the last request for referral of the case to the Secretary of the Treasury;
- (4) The IV-D agency, the client, or the client's representative shall have made reasonable efforts to collect the support through the state's own collection mechanisms.
- (5) Only the state with the assignment from the custodial parent or an application for services may request collection services on behalf of a given case.

Michigan policy incorporates federal regulations, while raising the minimum threshold. Raising the minimum threshold for IRS Full Service Collection places the threshold beyond those for State remedies. Therefore, cases will not be considered for referral prematurely.

LEGAL REFERENCES:

Federal

45 CFR 303.71

AT MAINTENANCE:

Retain Action Transmittal and the attached appendices.

EFFECTIVE DATE:

Upon receipt.

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All Combined IV-D Policy Manual recipients