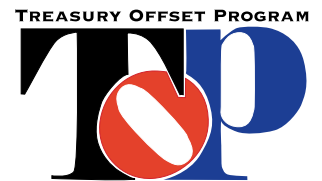


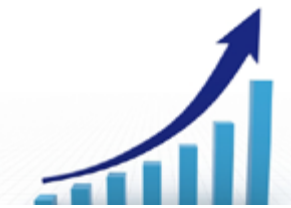
Offsets Matter

TOP's News for State Agencies

Issue ONE
March 2012



TOP Unemployment Insurance Compensation Debt Collections Exceed Expectations



The regulations for the offset of tax refund payments to collect unemployment insurance compensation (UIC) debts due to fraud or a person's failure to report earnings were published January 28, 2011. On February 14, 2011, the U.S. Department of the Treasury's Financial Management Service (FMS) began accepting referral of UIC debt from states for collection through tax refund offset.

Since the inception of the UIC Debt program with TOP, FMS has collected more than \$119.2 million through almost 100,000 offsets against Federal tax refund payments.

In 2011, New York, Wisconsin, and Michigan were the first states to submit UIC debts to TOP for offset. As of March 5, 2012, these three states have collected a combined total of \$59.8 million. Since January 2012, six additional states (Alabama, Arizona, Illinois, Maryland, Mississippi, and Pennsylvania) have been submitting their UIC debts to TOP. Combined, these six states have collected an additional \$59.4 million.

FMS continues to encourage states to participate in this exceptional program and to submit their UIC debts to TOP for offset. Through the UIC Debt program, participating states can achieve significant collections. FMS is eager and willing to assist each state in its implementation of this program.

As of March 5, 2012, FMS has collected nearly 15.5% of the dollar volume of the debts referred from these nine states. With the ease of implementation and large returns seen early in each state's participation, FMS believes the program has demonstrated itself as a clear success.

FMS is proud to have partnered with the U.S. Department of Labor to make these collections a reality. It is our belief that through these collections we are better serving the American taxpayers who have entrusted us with their tax dollars.

For additional information regarding your state's ability to submit UIC debts to TOP, please contact Sheila Moss at 202-874-6937 or Becky Park at 202-874-9451.

State UIC Debt Collection Totals

STATE NAME	OFFSET COUNT	NET COLLECTION AMOUNT	TOTAL AMOUNT OF DEBT REFERRED	PERCENT OF DEBT COLLECTED
Alabama	3,053	\$2,377,896.50	\$18,195,760.05	13.07%
Arizona	688	\$451,527.20	\$64,927,761.99	0.70%
Illinois	13,461	\$25,147,143.45	\$158,931,263.31	15.82%
Maryland	7,663	\$12,446,969.00	\$99,610,899.15	12.50%
Michigan	1,241	\$3,886,347.42	\$84,534,392.97	4.60%
Mississippi	18,717	\$12,507,234.25	\$34,699,764.76	36.04%
New York	42,801	\$43,758,231.68	\$192,526,307.13	22.73%
Pennsylvania	2,387	\$6,507,049.27	\$50,623,602.26	12.85%
Wisconsin	7,932	\$12,123,614.69	\$66,083,085.22	18.35%
Grand Total	97,943	\$119,206,013.46	\$770,132,836.84	15.48%

Data is Valid as of March 5, 2012.

Mississippi UIC Debt Collections Make the News

WLBT, the Jackson, Mississippi, NBC affiliate, recently aired a report concerning the increased collection of unemployment debts from those individuals collecting unemployment benefits fraudulently.

WLBT reported that the Mississippi Department of Employment Security had collected \$7.4 million in its first week participating in the Treasury Offset Program (TOP). This means that Mississippi was able to recoup 12% of their UIC debts in just the first seven days of using the program.

These collections provide the states, along with the U.S. Department of Labor, much needed funds to ensure that those taxpayers with legitimate needs for unemployment benefits continue to receive their benefits.

Congratulations to Mississippi on its successful implementation of the UIC Debt program.

State Implementation Dates

STATE NAME	IMPLEMENTATION DATE
Alabama	February 9, 2012
Arizona	March 1, 2012
Illinois	February 3, 2012
Maryland	January 4, 2012
Michigan	April 26, 2011
Mississippi	January 27, 2012
New York	February 8, 2011
Pennsylvania	February 1, 2012
Wisconsin	February 15, 2011

U.S. Treasury

Financial Management Service

401 14th Street, SW
Washington, DC 20227
Phone: 202-874-3810
Fax: 202-874-6474