

July 30, 2020

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY WELFARE DIRECTORS LETTER

This letter provides updates on the Franchise Tax Board (FTB) Interagency Tax Intercept Program and Treasury Offset Program (TOP) suspensions in response to coronavirus disease 2020 (COVID-19 or novel coronavirus).



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



GAVIN NEWSOM
GOVERNOR

July 30, 2020

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS

FROM: NATASHA NICOLAI, Chief Data Strategist
Deputy Director
Research, Automation, and Data Division

SUBJECT: FRANCHISE TAX BOARD (FTB) INTERAGENCY TAX
INTERCEPT PROGRAM AND TREASURY OFFSET PROGRAM
(TOP) SUSPENSION EXTENSION

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide County Welfare Departments (CWD) with guidance regarding current Treasury Offset Program (TOP) and Franchise Tax Board (FTB) Interagency Tax Intercept Program suspension waivers granted in response to the COVID-19 pandemic.

On March 25, 2020, the Franchise Tax Board (FTB) implemented a statewide suspension of all non-tax debt collection, in response to the COVID-19 pandemic. This affected all existing CalFresh and California Work Opportunity and Responsibility to Kids (CalWORKs) debts from March 25, 2020 through July 15, 2020. Additionally, the California Department of Social Services (CDSS) received approval from the US Department of Agriculture, Food and Nutrition Service (FNS) to suspend offsets in TOP for CalFresh debts effective April 6, 2020 through July 6, 2020.

On July 7, 2020, FNS extended the TOP suspension waiver for an additional 30 days. Upon expiration of the 30-day extension, CDSS will be granted the opportunity to request another 30-day extension. Additionally, CDSS has extended the suspension of the FTB tax intercept program through the remainder of the 2020 calendar year. CWDs must continue to suspend all tax collection submissions of new (CalWORKs) and CalFresh delinquent debts (Record Type 1) to CDSS, including the reactivate (Record Type 9) and increase (Record Type 7) of debt amount activities. CWDs will continue to

receive record type rejection messages for delinquent debts submitted to CDSS' Welfare Intercept System (WIS) during the suspension periods.

CWDs may continue to submit suspend (Record Type 8), delete (Record Type 3), and/or decrease (Record Type 2) to CDSS. In the event that CWDs/Consortium are unable to suspend the file submission to CDSS, Record Types 1, 7 and 9 will be rejected by CDSS' WIS. CWDs/Consortium will need to resubmit those after the suspension period.

CWDs are reminded that, while not mandatory, refund requests may be approved for individuals with circumstances related to COVID-19 for TOP (beginning cycle 2006) and FTB offset collections that occurred between March 1, 2020 through the remainder of the suspension periods explained above. This can be done on a case-by-case basis following a request from any individual in the former CalFresh and/or CalWORKs household who has been impacted by COVID-19. Any COVID-19 related refunded debts will remain outstanding and be collected from the individual once CDSS resumes participation in the FTB and TOP tax intercept collection programs.

There is still no automation in place to reverse intercepted funds so CWDs must continue submit a Record Type 4 (Refund) or follow their CWD's business process to post the debt amount back in TOP and FTB.

For questions regarding the TOP and FTB tax intercept program suspensions call (916) 653-1826 or email TaxIntercept@dss.ca.gov.