

April 08, 2021

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 for former California Work Opportunity and Responsibility to Kids (CalWORKs) and CalFresh households in response to COVID-19.



KIM JOHNSON
DIRECTOR

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GAVIN NEWSOM
GOVERNOR

April 08, 2021

ALL COUNTY WELFARE DIRECTORS LETTER

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY APPEALS SPECIALISTS
ALL COUNTY WELFARE INTERCEPT SYSTEM
COORDINATORS
ALL COUNTY TREASURY OFFSET PROGRAM
COORDINATORS

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

**SUBJECT: FRANCHISE TAX BOARD (FTB) AND TREASURY OFFSET
PROGRAM (TOP) TAX INTERCEPT DELINQUENT DEBT
COLLECTIONS UPDATE**

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide County Welfare Departments (CWDs) with guidance regarding current Treasury Offset Program (TOP) and Franchise Tax Board (FTB) tax intercept programs for California Work Opportunity and Responsibility to Kids (CalWORKs) and CalFresh debts.

Background

In March 2020, the FTB implemented a statewide suspension of all non-tax debt collection activities in response to the COVID-19 public health emergency. This affected all existing CalWORKs and some CalFresh debts through July 15, 2020. However, because of the continued state of emergency in California, the FTB extended the suspension of the tax intercept program through the remainder of the 2020 calendar year and remains in suspension.

Additionally, the California Department of Social Services (CDSS) received several approvals from the United States Department of Food and Agriculture, Food and Nutrition Service (FNS) to suspend tax intercept collection activities using TOP for CalFresh debts through March 31, 2021.

CalFresh delinquent debt collection using the Treasury Offset Program

The TOP tax intercept debt collection process for CalFresh debts will no longer be suspended and resume collection activities beginning early April 2021. CDSS will be reaching out to CWD intercept coordinators to provide additional guidance for resuming new debt submissions in the CDSS' Welfare Intercept System (WIS).

CalWORKs and CalFresh delinquent debt collection using the FTB tax intercept program

The FTB intercept program will continue to be suspended through July 31, 2021. CWDs cannot submit any new CalWORKs debts at this time. CDSS will send another notification to CWDs when tax intercept debt collection activities using FTB can resume.

The CWDs are reminded that, while not mandatory, refund requests may be approved for individuals with circumstances related to COVID-19 for FTB offset collections that occurred between March 1, 2020 through the remainder of the FTB suspension period. 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 FTB resumes their collection process.

While there is no automation in place to reverse intercepted funds, CWDs can continue to submit a Record Type 4 (Refund) or follow CWD business process to post the debt amount back in FTB.

For questions regarding the guidance in this ACWDL or general questions on the TOP and FTB tax intercept programs, CWDs may email TaxIntercept@dss.ca.gov.