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Agency Setoff System Replacement - Implementation date is October 4, 2010

Electronic Payments – Have you submitted your forms to tell us how to electronically deposit setoff funds? Starting October 4th all distribution payments will be processed by electronic transfer. Transfer options include an ACH transfer to a bank account or a transfer to state agency WISMART accounts. Contact Matt Yeakey at trip@revenue.wi.gov for more information.

New Business Rules

- **Interest Updates:** Many of our agencies assess interest charges on their unpaid debt. The problem is that DOR only allowed updates to debts if the debt was the only debt or the last debt referred per debtor. Often agencies were not able to report the total debt balance due to this restriction.

NEW Functionality: Agencies will be allowed to report interest updates under the following rules:

- + An increase to the debt balance is limited to interest increases only.
- + An increase for interest is only allowed once every 30 days.

- **Identifier and Name Matching:** DOR is updating the criteria for certifying a debt to DOR to lessen the number of rejects due to name changes. Please note that the definition of “certifying” only means that an agency sent the debt to DOR for intercept. DOR does not perform any validation at the time a debt is referred or “certified” except to make sure the Social Security Number (SSN) is valid. Once a record is created, a unique ID is created that combine the Agency Id, the Debtor SSN, and the Debt number. Future updates to the record will require this unique ID as the match identifier taking the name variable out of the equation.

NEW Functionality: SSN’s are matched to the DOR customer data base to identify a match.

- + If identifier and last name match, DOR will accept the debt and assign a debt number.
- + If identifier match, the last name does not match, but first name matches, DOR will accept the debt and assign a debt number.
- + If identifier exists in the DOR processing system, but both the first and last name do not match, then DOR will reject as a name/identifier mismatch.
- + If identifier does not exist in the DOR processing system, DOR will accept the debt and assign a debt number provided the SSN is valid.

Below are a series of examples that show the impact of the new functionality:

Example 1: Agency 000-999 certifies Jane Jones for \$1000 under SSN ***-**-9999. DOR has Jane Jones as a taxpayer and accepts the debt and sets up debt number 00001. Jane’s unique ID is 000999*****999900001. Jane gets married and files a joint tax return under Jane Smith. In the old system, updates to Jane would be rejected because the names no longer match. In the new system, the unique ID identifies the individual and the update will be processed.

Using Example 1 in another scenario – if the agency submits a new debt under Jane Jones, DOR would accept the debt even though DOR has a different last name - Smith. The debt would fail the first test using the last name but pass the second test using first name.

Example 2: Agency 000-999 certifies John Smith for \$1000 under SSN ***-**-1224. DOR has a record of that SSN but the owner is Cal Brooks. DOR will reject the debt as a Name/Identifier Mismatch.

Example 3: Agency 000-999 certifies John Smith for \$1000 under SSN ***-**-1224. DOR has no record of that SSN and accepts the debt, assigning debt number 00001. John’s unique ID is 000999*****122400001.

Two years later Cal Brooks files his tax return using the same SSN – his refund suspends for manual review to determine who owns that identifier. When DOR investigates, we find that John Smith’s SSN is actually ***-**-1227 and it appears that the agency miss keyed the entry. DOR will initiate a reject of John Smith’s debt after initial certification.

NEW Functionality: DOR will return debts to the agency after accepting the debts, when it is later determined that the SSN does not belong to the individual certified.

Using Example 3 in another scenario – Cal Brooks may have entered the wrong SSN when submitting his tax return. DOR will have an opportunity to correct his information before the debt is offset incorrectly.

Important Dates:

September 4, 2010	Last processing day for TRIP Current file format
September 24, 2010 At Noon	Last file maintenance for current Agency Setoff system. TRIP application file maintenance can no longer be used to submit new or update current debts.
September 27, 2010	Last refund intercept file run against debts in the current system.
September 28, 2010	Current system and TRIP application shutdown. Make sure to download your posting notification reports. Conversion of data to new system begins.
October 4, 2010	Last Quarterly Settlement report from current Agency Setoff system.
October 4, 2010	New system in production to receive new debt and debt updates using new TRIP portal, the expanded file layout, or the new XML file format. Daily processing of file maintenance is available.
October 11, 2010	DOR is closed.
October 13, 2010	First funds transfer and posting notification report available from new system. This report is available the second business day of the week – Tuesdays normally. Due to DOR being closed on 10-11-2010, the first report will be available on Wednesday.

Contact Information

Please feel free to contact us with any questions or concerns.

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