



PERMANENT ADMINISTRATIVE ORDER

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CHAPTER 471

EMPLOYMENT DEPARTMENT

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ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: Align rule for offsetting of nontax debts through the federal Treasury Offset Program with statute

EFFECTIVE DATE: 12/08/2019

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AMEND: 471-030-0058

RULE TITLE: Offset of Unemployment Compensation Debt Through U.S. Treasury Offset Program

NOTICE FILED DATE: 10/14/2019

RULE SUMMARY: The purpose of the amendment proposed by the department is to include "federal non-tax payments" to the existing type of payment in rule, federal tax payments, which may potentially be offset by the federal government to recover monies for liquidated unemployment insurance overpayments and delinquent taxes.

RULE TEXT:

(1) The Oregon Employment Department may submit liquidated unemployment insurance overpayments and delinquent taxes for offset against federal tax refunds and federal non-tax payments through the "Treasury Offset Program" under 26 USC 6402(f) and 31 CFR 285.8. For purposes of this rule, "liquidated" means legally enforceable because:

- (a) The liability is assessed by the department;
- (b) The department has made written demand for payment of the liability;
- (c) The debtor is not in bankruptcy; and
- (d) All relevant appeal periods for contesting the liability have expired.

(2) Notice of intent to offset. Before submitting an unemployment insurance overpayment or delinquent tax debt to Financial Management Service, U.S. Treasury for offset against a federal refund or a federal non-tax payment, the Oregon Employment Department must send written notice of intent to offset to the debtor by mail.

(3) Disagreement procedures. If a debtor disagrees with the notice of intent to offset and wants reconsideration, the debtor must submit a letter of disagreement within 60 days of the date shown on the notice of intent to offset. The debtor must provide, and the department will limit consideration to, evidence that the debt scheduled for offset is not:

- (a) Past due; or
- (b) Legally enforceable.

(4) If the debtor claims that the debt is not legally enforceable, the department will consider the merits of such a claim unless the issue has already been finally adjudicated by the Office of Administrative Hearings, Employment Appeals Board, or court of competent jurisdiction in a proceeding to which the department is a party.

(5) Review of disagreement. For each letter of disagreement provided by the debtor, the department will:

- (a) Review evidence provided by the debtor, and
- (b) Remove debtor's name from the federal refund offset list for this debt if evidence supports the debtor's position that the debt is not past due or is not legally enforceable.

STATUTORY/OTHER AUTHORITY: ORS 657.610

STATUTES/OTHER IMPLEMENTED: ORS 657.610, 657.155, 657.260, SB 259 2013