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|  | <b>INDIANA DEPARTMENT OF CHILD SERVICES</b><br><b>TITLE IV-D POLICY MANUAL</b> |   |
|   | <b>Chapter 14: Payment Processing</b>  | <b>Effective Date: 10/18/2021</b>                       |
|   | <b>Section 6: Recoupments</b>  | <b>Version: 1.1</b><br><b>Revision Date: 10/18/2021</b> |

## BACKGROUND

N/A

## POLICY

When funds have been improperly disbursed to the obligee or the obligor by the Child Support Bureau (CSB) or the Indiana State Central Collection Unit (INSCCU), CSB or INSCCU shall attempt to recoup those funds.<sup>1</sup>

When funds have been improperly disbursed to the obligee or the obligor by the Clerk of Courts, the Clerk of Courts shall attempt to recoup those funds.<sup>2</sup>

Situations where a recoupment may be necessary against an obligee are:

1. When a payment is misapplied to a case;
2. When a payment was made due to fraudulent activity; and
3. When a payment exceeded the amount actually due based on an accounting error.<sup>3</sup>

Situations where a recoupment may be necessary against an obligor are:

1. When a payment was incorrectly refunded to the obligor;
2. When a payment was made due to fraudulent activity;
3. When a payment exceeded the amount actually due, based on an accounting error; and
4. When a federal tax payment distributed to an obligee has been recalled by the Internal Revenue Service (IRS).<sup>4</sup>

## REFERENCES

- [IC 31-25-4-17.5](#): Recoupment of overpayment
- [465 IAC 1-1-11.5](#): Recoupment of child support overpayments from subsequent child support payment
- [OCSS-PIQ-02-01](#): Recoupment of a Child Support Overpayment, Guidance 2002

## PROCEDURE

<sup>1</sup> IC 31-25-4-17.5(a); 465 IAC 1-1-11.5

<sup>2</sup> IC 31-25-4-17.5(a)

<sup>3</sup> IC 31-25-4-17.5(a); OCSS-PIQ-02-01

<sup>4</sup> IC 31-25-4-17.5(a); OCSS-PIQ-02-01

When CSB, INSCCU, or the Clerk of Courts receives and processes a payment and determines that funds have been improperly disbursed, CSB, INSCCU, or the Clerk of Courts makes an adjustment and, if needed, a recoupment is set up in the statewide child support system.

## 1. Enrollment Form Permission to Recoup

Effective April, 2019, the official state form for enrolling in Title IV-D child support services includes the following question: "I agree that if I am overpaid, the state may recoup the amount of the overpayment from future child support payments owed to me. Yes No".<sup>5</sup> A participant may provide blanket consent for recoupment of overpayments from future child support by indicating "yes" to the question on the enrollment form.<sup>6</sup> If such consent is documented, there is no requirement that subsequent permission be provided by a participant to recoup from current support payments.

If the enrollee has answered "no" to the question, CSB or INSCCU may still proceed with requesting permission on an as needed basis.

## 2. Recoupment Letters and Affirmative or Presumed Consent

If a recoupment is needed and the participant has not provided permission to recoup or has denied blanket permission to recoup during completion of the enrollment form, CSB or INSCCU shall send up to three (3) letters, not less than 30 days apart, to the participant containing the following information:

- a. That a child support payment was disbursed in error to the participant;
- b. The amount of the payments and the dates the payments were disbursed;
- c. The address of where the participant should send the response to the notice;
- d. The participant has 15 days from the date of the notice to respond in writing to one (1) of the following options:<sup>7</sup>
  - i. Returning the check if not yet cashed;
  - ii. Sending a personal check or money order to cover the amount received in error; or
  - iii. In the case of an obligee, giving permission to deduct 10% of future child support payments and 100% of past-due child support payments until the amount received in error is paid in full.
  - iv. In the case of an obligor, giving permission to recoup this money from any future federal and State tax refunds as well as any other refunds from CSB.

The third notice to the participant also includes a statement that the participant's failure to respond will result in presumed consent to the recoupment.<sup>8</sup> This presumed consent allows CSB or INSCCU to recoup the overpayment by the withholding of subsequent child support payments or future federal and State tax refunds as well as any other refunds from CSB up to the total amount of the overpayment disbursed to the participant.<sup>9</sup>

Recoupments will not be withheld from subsequent child support payments until:

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<sup>5</sup> Indiana Child Support Services Enrollment Form

<sup>6</sup> OCSS-PIQ-02-01

<sup>7</sup> 465 IAC 1-1-11.5(d); 465 IAC 1-1-11.5(e)

<sup>8</sup> 465 IAC 1-1-11.5(d)(5)

<sup>9</sup> 465 IAC 1-1-11.5(d)(5); OCSS-PIQ-02-01

- a. Receiving written consent from the participant;<sup>10</sup> or
- b. Presumed consent based on the participant's failure to timely respond to the third notice.<sup>11</sup>

If a participant responds in writing to any of the three (3) recoupment letters and denies the request to recoup from future support payments, no further recoupment letters will be sent in regards to that overpayment situation and recoupment from future support payments will not occur.

## FORMS AND TOOLS

N/A

## FREQUENTLY ASKED QUESTIONS

N/A

## RELATED INFORMATION

1. Future payments on any case for the participant may be used to pay a recoupment.
2. The clerk of courts may use their Annual Support Fee funds to pay a recoupment.
3. [Indiana Child Support Services Enrollment Form](#)

## REVISION HISTORY

| Version     | Date       | Description of Revision   |
|-------------|------------|---|
| Version 1   | 06/19/2019 | Final approved version  |
| Version 1.1 | 10/18/2021 | Updated for consistent formatting and language  |
|             | 08/22/2023 | Changed Office of Child Support Enforcement (OCSE) to Office of Child Support Services (OCSS) |

<sup>10</sup> 465 IAC 1-1-11.5(b)(2); OCSS-PIQ-02-01

<sup>11</sup> 465 IAC 1-1-11.5(e); OCSS-PIQ-02-01