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## Revenue Recapture Act Training

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Transcript

November 12, 2020

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# Introduction

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Welcome to Revenue Recapture Act training. Revenue Recapture is a process where the Minnesota Department of Revenue can take, or recapture, tax refunds and other funds and use them to pay claims filed by qualified agencies, including yours.

The Revenue Recapture program collects over \$80 million per year for state agencies, cities, hospitals, and other agencies. This is a valuable tool, which helps all of us resolve unpaid debts.

As the administrator of the program, we need to make sure all participants follow the laws that govern Revenue Recapture. We require all Revenue Recapture users to participate in training and follow the service level agreement to use this program.

In addition, we regulate the program through audits to ensure agencies follow statutes and policies. We are all responsible to protect private data and accurately use this program. Your cooperation and partnership ensure the integrity and the continued success of the Revenue Recapture program.

Minnesota Statutes, chapter 270 A, also known as the Revenue Recapture Act, authorizes the commissioner of revenue to collect debt for claimant agencies. Minnesota Administrative Rules 8165.0100 through 8165.0400 provide additional guidelines for managing the Revenue Recapture Act.

This course includes multiple lessons on administering the Revenue Recapture Act:

- Resources
- Disclosure
- Notifications
- e-Services
- Claims
- Debtor responses
- Program participation

This training has sound. Please adjust your volume. The training will take 60 minutes to complete. We recommend you close other programs and do not multi-task while taking this training. It may result in not tracking and you will need to re-take it.

## Navigation

Use the navigation buttons at the bottom of each slide to move throughout this training. Some slides have additional buttons. Select those buttons as they become available.

- Play - arrow pointing right

- Pause - two vertical lines
- Backward – vertical line with arrow to the left
- Forward – vertical line with arrow to the right
- Audio on – speaker icon with sound waves
- Audio off – speaker icon
- Closed Captioning - cc
- Exit – x

## Resources

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You have many resources when it comes to managing claims. In this lesson, we will discuss these resources:

- Minnesota Department of Revenue website
- GovDelivery
- Revenue Recapture Program
- Debt Collection Act

### Minnesota Department of Revenue Website

Our website address is [www.revenue.state.mn.us](http://www.revenue.state.mn.us). To find the most up-to-date information for the Revenue Recapture Program and directions on how to complete several tasks within e-Services:

1. Select Governments.
2. Expand Other Agency Debts.
3. Select Revenue Recapture Agencies.

We recommend you bookmark or add this page to your favorites for quick access in managing your claims.

The information on the [Revenue Recapture Agency page](#) is organized into sections. Select the section to expand or minimize it.

- Qualifying Agencies explains how to qualify for the program
- How to Apply explains the application process for the Revenue Recapture Program
- Recapture Debt Information provides links for:
  - Eligible debts
  - Qualifying refunds and payments

- Debt priority
- Debt referral
- Intercept Types provides examples of different intercepts:
  - Child support
  - Criminal Restitution
  - Health Care Recapture
  - General
- Resources includes links to the:
  - Service level agreement
  - Revenue Recapture e-Services
  - Revenue Recapture Agency Training
  - Contact information for the Revenue Recapture program
  - Email subscription sign up

You can find additional information in the Related Content box. The [Related Content section](#) links to related information, including:

- Bankruptcy
- Contested Case Hearing
- Nonliable Spouse
- Notification
- Overpayments and Refunds
- Public Assistance
- Statute of Limitations
- Third-Party Access to Revenue Recapture

## GovDelivery

We communicate information regarding the Revenue Recapture program through GovDelivery messages. GovDelivery is a secure message subscription service. As a Revenue Recapture user, you must [sign up for GovDelivery](#) in order to receive email updates.

## Revenue Recapture Program

If you need assistance, you can contact the Collection Division's Revenue Recapture program. You can find contact information in the "Contact Info" box on the right side of the [Revenue Recapture Agencies](#) page. It includes a link to send us an email, our voicemail number, hours, and address.

Our email address is [revenue.recapture@state.mn.us](mailto:revenue.recapture@state.mn.us). You can leave us a voicemail at 651-556-3037. This number is for agency use only. If debtors need to contact us, they must call our general number at 651-556-3003. You can also contact us by web message in e-Services.

This is the most secure form of communication. No matter the form of contact, our goal is to respond to you within two business days.

## Debt Collection Act

Agencies can refer debts to the department for collection under Minnesota Statute 16D, referred to as the Debt Collection Act. You can find more information by expanding the [Recapture Debt Information](#) section.

Our Client Relations Program manages this process. They use Revenue Recapture and other tools to collect your debts. When agencies refer their debts to us, we collect the debt by:

- Sending bills
- Making calls
- Issuing levies
- Filing liens
- Revoking personal and professional licenses
- Recapturing refunds

Once an agency refers a debt to use for collection, we handle the Revenue Recapture and nonliable spouse claims.

If you would like to refer debts for collection, you must [email](#) our Client Relations program to discuss:

- Qualifications
- Debt referral process
- Annual training
- Service Level Agreement

## Disclosure

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Identity theft, passwords, and security are part of our daily lives. It is important to safeguard this information. In this section, we will discuss private information and explain who may administer claims.

Minnesota law defines public, non-public, and private information and applies to the Revenue Recapture Act. Private information includes Social Security numbers, names, and addresses. Court



users must consider a debtor's Social Security Number as nonpublic. The information within the Revenue Recapture system is private and confidential.

Employees with access to private or nonpublic information may not share it. This includes people who are no longer employees. Government agencies, Minnesota Statute, and the Rules of Public Access to Records of the Judicial Branch identify who can share or have access to what information.

Use these guidelines to follow disclosure and data privacy laws:

- Do not share usernames or passwords for e-Services.
- Do not tell or show people information they do not have a business need to know.
- Lock up private or nonpublic information when you are away from your desk.
- Do not research or collect information on, or for, yourself, family, or friends. This is considered browsing.

Agencies are responsible for providing data privacy and anti-browsing training to employees handling claims.

## **Third Parties**

Outside parties, like subcontractors, outside vendors, or third parties can assist you with sending letters or collecting your debt. They must follow:

- Minnesota statute
- Policy requirements set by the department
- The Revenue Recapture Act
- The Service Level Agreement

Third parties must not:

- Administer claims
- Have access to e-Services
- Use their phone number or address as contact information on your letters or as a claim's contact in e-Services

For more information, see Minnesota Statute 270A.11.

## **Employees**

Employees who administer claims must receive a W-2 from your agency and must take training before doing so.

When you log into the system, you are responsible for the information accessed under that username. You could face civil or criminal penalties if you allow access to, or disclose information for, purposes outside of administering claims. Penalties can include fines or jail time.

- Create private username and password for Revenue Recapture
- Do not share username's or passwords
- Change your password if anyone else knows it
- Log out of e-Services when not actively using it
- Only look at information you have a business need to know

If you know of a disclosure violation or suspected violation, contact your supervisor, legal division, or disclosure officer.

## Employee Changes

If an employee leaves your agency or changes duties and still has access to e-Services, they have access to private and nonpublic information. Your agency must notify us to remove the user. We will also stop sending the employee Revenue Recapture GovDelivery messages.

If your authorized agent leaves the agency, the successor must contact the Revenue Recapture program to update information and submit new documents as needed. We will review the service Level Agreement with the new authorized agent.

After this training, review the list of users for your agency. Submit a request to the Revenue Recapture Program to remove access for terminated employees and employees who no longer manage Revenue Recapture claims. Your request must include the user's name and username. The program will then remove the appropriate access types.

## Notifications

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In this section, we discuss the notification requires for each claim. You can find information on notification letters on our website. From the [Revenue Recapture Agencies page](#):

1. Select Revenue Recapture Related Information.
2. Expand the Notification section.

## Sending the Notification Letter

You must send notification to the debtor no later than five days after filing a claim. You can send the notification letter up to 30 days before filing a claim. This allows the debtor time to pay the debt in full, which could eliminate the need to file a claim.

## Return Mail

If you have reason to believe the debtor did not receive the notification letter or the Post Office returns the letter, statute requires you to contact the department for an updated address. You must use e-Services to look for a different address for the debtor. If e-Services has a different address for the debtor, you must send a new letter to the new address. This gives the debtor 45 days to request a hearing to dispute the debt.

## Notification Requirements

The notification letter must include specific information. You can view sample notices on our [website](#).

Open the [General Notice](#) sample notice letter.

Your agency must use their letterhead, containing the agency's:

- Name
- Address
- Phone number

Remember, if you use a third party to help collect the debt, the notification letter cannot include the third party's contact information.

You must date the letter and include the debtor's:

- Name
- Address, including city, state, and zip code

The letter must tell the debtor that we:

- May intercept any future state income and property tax refunds, lottery winnings, and other funds
- Will apply refunds to their debt until it is paid, cancelled or the statute of limitations expires
- Apply refunds based on Minnesota Statutes 270A

You must include these details for each debt:

- Date of the debt
- Type of the debt
- Debt description
- Debt amount(s)
- Claim total

The letter must explain the debtor's right to dispute the debt or claim at a contested case hearing through the Office of Administrative Hearings. It must say that your agency must receive the written request within 45 days of the date of the notice. The agency must schedule a hearing within 30 days of that request and notify the debtor of the date, time, and place of the hearing.

Your agency may need to include exemption information, depending on the type of claims it files.

You must include exemption language if the debt is based on an obligation to pay medical care, including hospitalization, and the debtor's income is below specified levels at the time of service. The following letters contain sample exemption wording:

- [Assistance Claims Notice](#)
- [Medical Notice](#)
- [Public Housing Notice](#)

Open the [Assistance Claims Sample Notice](#).

You must also include exemption language if the debt is for an overpayment of public assistance and there is not a judicial or administrative finding of an intentional program violation, and either of the following applies:

- The debtor is still a client of the assistance program and has not signed a waiver
- The debtor is no longer a client of the assistance program but currently receives food support, transitional childcare, or transitional medical care

Close the Assistance Claims Sample notice.

Your agency's notification letter may require additional information depending on your legal requirements.

Your agency must keep a copy of notification letters for all active claims. If your current claims do not meet the notification requirements, you must:

- Remove the claims
- Send the appropriate notice

- Re-submit the claims

## e-Services

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Welcome to [e-Services](#)!

### Log in

This is the e-Services login screen. The tiles at the bottom provide additional information for you, including help links for step-by-step directions.

1. Enter your username and password to log in. You can select the 'Forgot username or password?' link to have a temporary password or your username sent to you.
2. Select Log in.

e-Services uses emails, text messages, or an authenticator app as part of a two-step authentication process. An authenticator app is usually installed on a smartphone and generates a short passcode recognized on your device or allows you to approve an attempt to log in. This helps make sure the connection between you and e-Services is secure.

### Home Page

This is the home page. Underneath your agency's name and address, you have three tabs, the Accounts tab, Alerts tab, and the I Want To...tab.

You may also have a Favorites tab, depending on how many accounts you can access.

- Accounts: Default tab when you open e-Services. This tab displays all your accounts, with links for common actions. You can:
  - Add a claim
  - Search for your existing claims
  - Run reports
- Alerts: Items that require your agency's attention.
  - You can dismiss an alert by selecting the 'X' on the right side of the notification
  - An example of an alert is when we replay to a web message
- I Want To: Tiles for additional actions you can take, like:
  - Reviewing history of your agency's requests
  - Sending or reading a web message

- Adjusting names and address on the agency's account

## Web Messages

Web messages are the preferred way to contact us regarding your agency, account, or claims.

To send a web message, start from the I Want To tab:

1. Select Send a Message.
2. Select the link to send a message regarding your agency or a specific account.
3. Select the message type. This will give us an idea why you're reaching out.
4. Enter a subject and a message.
5. Select the Submit button.

You can select the Minnesota Department of Revenue logo at any time in the upper left to return to the home page.

## Profile

Find information about your profile in the Manage My Profile link.

From here, you can edit your profile information. You can change your name, email or phone number in the My Information tile. The Security tile is where you change your password, secret question, and two-step verification options. There are two tabs:

- Alerts: Displays any messages or actions required of you
- I Want To: Allows you to change and view options, like your access history, messages, or activity

## Log out

When you're done in e-Services:

1. Select the profile menu icon in the upper right corner.
2. Select yes to confirm logging out.

## Claims

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This lesson will discuss eligible claims, contact types, managing claims, and running reports.

## Adding a claim

When you are ready to add a claim, you must confirm the debt is eligible. You can find information about debt eligibility on the [Revenue Recapture Agencies page](#).

1. Expand Recapture Debt Information.
2. Select Eligible Debts.

To be eligible, a debt must be:

- At least \$25 at the time of referral, or with other debts that total at least \$25
- An obligation from a contract, statute, or court order

To manually add a claim:

1. Log into e-Services.
2. Select the Summary tab.
3. Select the account.
4. Select Add Claim.
5. Enter information into the fields.

To add a claim, you must have the:

- Debtor's name
- Debtor's Social Security number

The debtor is also referred to as 'Taxpayer' throughout e-Services.

If the claim is joint, you can select yes and enter information for the joint taxpayer. When you complete all fields in e-Services, select the Next button.

You must complete:

- Date of debt or the origination date
- Claim type
- Claim amount
- Statute of limitations
- Agency Control Number

Comment fields are optional.

Make sure you enter the Date of Debt and Claim Type correctly. Once you submit the claim, you cannot change those.

As a reminder, the claim amount must be at least \$25.

## Statute of Limitations

The statute of limitations is the amount of time an agency can legally collect a debt. For Revenue Recapture, the statute of limitations refers to the amount of time an agency may take refunds and pay debts.

From the [Related Information](#) page, expand Statute of Limitations.

State law governs most debt collection and sets the statute of limitations at six years from the date of debt. [See Minnesota Statute 541.05.](#)

You cannot add claims for expired debts or when a signed payment agreement prohibits other collection activity.

Different situations may change the statute of limitations for a debt, including:

- Agency specific statutes based on the debt type. For example, child support arrearage and restitution debts do not expire. If your agency governs under a statute that allows a statute of limitation longer than six years, provide the Revenue Recapture Program with this information.
- Judgments filed before the statute of limitations expires. This allows collection through Revenue Recapture until the debt is paid.
- Accepting voluntary payments or getting a signed waiver before the statute of limitations expires. These typically extend the debt collection period six years from the date of the voluntary payment or signed waiver.

You may include more than one debt in a claim. When entering the statute of limitations date, use the date from the debt that expires first.

## Agency Control Number

The agency control number must be a unique number that is:

- Up to 18 characters long
- Not a Social Security number
- Not use for any other claim in your system

## Contact Types

Revenue Recapture claims may include either default or manual contact information.



Use the default option when you want to provide general contact information for your agency. Use the manual contact option when you want to provide a specific person to contact about that specific claim.

We recommend using a default contact type whenever possible. A default contact allows:

- Debtors to reach your agency no matter who currently manages claims
- Claims to update automatically any time the agency changes its default contact

Claims with a manual contact require a manual update if the contact for that claim changes. If your agency switches from manual contact to default contact, any future claims will use the default contact.

To add a specific person and number for a claim:

1. Change the field in e-Services to Manual Contact.
2. Select Yes.
3. Enter specific contact information.

## Confirmation

You can confirm all claim information before you submit it. To adjust any part of the claim, select the tile on the progress bar or the Previous button at the bottom of the screen. Select the Submit button to submit the claim.

You have the option to email or print the confirmation page.

## Change Default Contacts

To change your default contact, select the Contact and Account Information link, then update the information. To update manual contact information, access the claim and change the contact information. We will show you how to do this when we talk about changing claims.

## Submitting Multiple Debts on One Claim

You can submit multiple debts under one claim. This allows you to file a claim when you have several debts that are less than \$25. However, putting multiple debts on one claim can create more work for your agency and may result in a loss of refunds if the agency does not manage the claim in a timely manner.

If you decide to submit multiple debts on a claim, you must:

- Combine debts for the same claim type

- Use the date of debt for the oldest debt
- Use the statute of limitations for the debt that expires first
- Enter the debt total for the total claim amount

For claims with multiple debts, the notification letter must list the:

- Debt types
- Amount of each debt
- Total claim amount

## Managing Claims

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### Viewing Claims

To view claims and review your options:

1. Select View Claims. You can Hide History to remove inactive claims from the list.
2. Select Show History to return to the original results.
3. Select Export to display your claims in an electronic spreadsheet.
4. Select the column heading to show information in ascending or descending order.
5. Enter information into the Filter search field to limit the claims you see.

For example, you can search for any claims submitted for people named Alan by entering 'Alan' into the filter field and pressing Enter.

The filter is also helpful when you are reviewing for expiring statute of limitations. For example, you can enter '2022' and press Enter to display results.

To return to the full results, select the X in the filter field.

### Changing a Claim

To change a claim:

1. Locate the claim.
2. Select the Taxpayer Id.
3. Select Change.
4. Enter the amount of the claim in the Claim Amount field.

5. Select the Next.
6. Select the reason you changed the claim.
7. Select the Next.
8. Review the contact information for the claim or add a manual contact if necessary.
9. Select Next.
10. Review the information to confirm it is correct.
11. Select Submit.

To view the history of changes on a claim:

1. Open the claim.
2. Select View History.

We can see the history of how a claim changed and who changed it. The most recent change appears at the top of the list.

You must keep claim balances current to reduce overpayments, refunds, fees, and interest your agency pays.

Statute requires you to update claims within 30 days if there is a balance change of \$200 or more. Change the claim to reduce the balance when you receive a payment.

Agencies can only increase claims for:

- Penalties
- Interest
- Legal fees related to the original claim
- Child support
- Returned payments

If you do not update balances in a timely manner and it results in an overpayment, you are responsible for refunding the \$15 fee to the customer.

## **Managing a Claim with Multiple Debts**

If you choose to refer multiple debts on one claim, you must have a process to monitor the statute of limitations.

To remove a debt before it expires:

1. Reduce the claim in e-Services by the amount of the expiring debt.
2. Update the statute of limitations field based on the debt that expires next.

3. Add a note to state you removed a debt due to expiration.
4. Select “SOL Date Changed” as the reason for change.

## Closing Claims

You must close a claim when it is:

- Is paid in full
- No longer valid
- Submitted in error

We recommend you update claims within five days of a change to avoid overpayments. Failure to do so may result in suspension of your Revenue Recapture account according to MN Rule 8165.0200.

You must also review claims for expiring statute of limitations and remove the claim before the expiration date. Failure to do so may result in suspension from the Revenue Recapture Program.

Claims automatically close when the balance is less than \$15.

To close a claim:

1. Access the claim.
2. Select the Taxpayer Id.
3. Select Change.
4. Enter 0.00 in the Claim Amount field.
5. Select Next.
6. Select ‘Closed Claim’ in the Reason for Change field.
7. Select Next.
8. Review the information.
9. Select Submit.

You can view the claim closed by:

1. Select Home.
2. Select Revenue Recapture.

Closed claims appear in gray. You can select the Taxpayer Id column to view the Closed Claims. Closed claims stay in hold status in e-Services for 60 days before complete removal to allow for any further updates. You cannot edit the claim while it is in this pending closed hold status.

## Place a Claim on Hold

You must place a claim on hold when you:

- Verify the debtor currently receives assistance or received assistance when they incurred the debt
- Cannot collect a debt due to pending action, such as an appeal or dispute over the debt
- Know the debtor is in bankruptcy

You may place a claim on hold when you cannot collect the debt temporarily for other reasons such as:

- The debtor is experiencing financial hardship
- The agency needs time to address law or policy changes, manage administrator or user changes, or implement new processes or procedures to manage claims

When a hold is in place, your agency will not receive any payments for that claim. You can edit claims on hold. An advantage to adding a hold, rather than closing the claim, is that your agency maintains its claim priority. As soon as you lift the hold, you resume your spot in line to receive payment.

Remember, you:

- Cannot add new debts to an existing claim
- Can update claims balances for:
  - Misapplied payments
  - Reversed payments
  - Legally allowed penalty and interest
  - Legal fees related to the original claim

To place a claim on hold:

1. Locate the claim.
2. Select the Taxpayer ID.
3. Select Change.
4. Select Yes in the Hold Claim field.
5. Select Yes.
6. Select Next.
7. Select the Reason for change.
8. Select Hold – Other.
9. Select Next.
10. Review the Contact information.
11. Select Next.

12. Review the change.
13. Select submit.

The confirmation page provides options to view history and email or print the confirmation.

The View History button on the confirmation page allows you to search for and review all changes submitted for any claim.

A quick way to access updated history for the debtor's claim is to:

1. Select Home in the upper left corner.
2. Select View History.

You can see all activity for the claim, including the recent hold. Claims on hold display a checkmark in the Hold column. To release a hold, you must change the claim.

## Request a Virtual Room Account

You can securely add claims, change claims, and remove holds using a file transmitted through our Virtual Room instead of managing claims one at a time.

To request a Virtual Room account, send an email to [revenue.recapture@state.mn.us](mailto:revenue.recapture@state.mn.us) and include each user's:

- First and last name
- Email address
- Revenue Recapture Agency account number
- Phone number
- Position at the agency
- Date they took Revenue Recapture Act training

You will receive an email invitation to the Virtual Room with additional instructions.

## Reports

You can run reports in e-Services to help you manage claims.

From the Account tab:

1. Select view Reconciliation Report.
2. Enter a date range for the report.

### 3. Select Search.

The reconciliation report provides deposit data for a date range you select. Access specific claims by selecting the deposit amount on the report. You can filter data in the report or export it to a spreadsheet.

If your agency submits claims using the Virtual Room, you can use the Rejected File Claims report to view your agency's rejected claims.

From the Account tab:

1. Select View Rejected File Claims.
2. Enter a date range for the report.

When specifying a date range, you must enter a start date no farther than one year from today.

You can find information on updating contact information, managing claims, and creating reports on the Revenue Recapture e-Services webpage.

From the [Revenue Recapture Agencies page](#):

1. Expand Resources.
2. Select Revenue Recapture e-Services Procedures.

## Refunds

You must apply state refunds, federal refunds, and insurance payments in the order you receive them, and report payments in a timely manner. [Minnesota Statute 270A.07](#) subdivision 5 states the agency is responsible to refund the \$15 fee in all situations. We will refund the \$15 fee under certain circumstances.

Refunds apply to claims in this order:

- Tax debt
- Child support
- Restitution
- Medical claims, which include hospital and ambulance debts
- General claims

You can find more information on qualifying Refunds and Payments on our website. From the [Revenue Recapture Agencies page](#):

1. Expand the Recapture Debt Information section.
2. Select Qualifying Refunds and Payments.

This page lists the types of state refunds and payments that qualify for Revenue Recapture.

## Debtor Responses

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You may get a response from a debtor when you file a claim or if we take their refund. This will lesson will address some of those responses.

Common questions involve contested claims, exemptions, nonliable spouse, overpayments and refunds, and deceased debtors. In most situations, the burden of proof is on the debtor.

### Contested Claims

When a debtor disputes a claim, it begins the contested claim process. Both the agency and debtor have a responsibility in this process.

When a debtor receives a notification letter, they have the right to request a contested case hearing. That hearing is held before an administrative law judge with the Minnesota Office of Administrative Hearings, as outlined in [Minnesota Statute 270A.08](#). The debtor must send a written request to the claimant agency within 45 days of the date on the letter.

If a debtor contacts your agency and verbally requests a contested claim hearing, refer to your agency's policy for disputes.

If the request is written, schedule a hearing within 30 days of receiving the request with the Office of Administrative Hearings. If you do not schedule a hearing, the debt may become invalid.

You can continue to work with the debtor to resolve the debt while waiting on a hearing date.

If you have questions regarding the hearing process, contact the Office of Administrative Hearings.

### Exemptions

Debtors may be exempt from the Revenue Recapture Act.



[Minnesota Statute 270A.03](#) subdivision 5 and [Minnesota Rules 8165.0300](#) address debts for medical services. If the debtor's income at the time of service was at or below poverty or medical income guidelines, they are exempt from revenue recapture.

We base exemption qualifications on current federal poverty and state income guidelines.

## **Medical Exemptions**

With medical exemptions, the burden of proof is on the debtor. They need to provide their federal tax return and all income sources for the year they received the medical service. The debtor needs to give your agency documentation to show their income level. Your agency will review the documentation and poverty income guidelines to determine if the debtor is exempt.

When reviewing exemptions:

- Include the income of both spouses
- Treat the spouse as a dependent
- Do not include child support as income

The Medical Service Exemptions section on the [Revenue Recapture Related Information page on our website](#) has a list of income sources and a table of poverty guidelines.

If you determine the customer is exempt due to poverty guidelines, remove the claim.

## **Public Assistance**

Agencies cannot use the Revenue Recapture Program to collect overpayments of public assistance when the debtor is either:

- A current client of the program who has not signed a waiver
- Not a client of the program and currently receiving food support, transitional childcare, or transitional medical care

If you would like to maintain your priority level, you may add a hold to claims until the debtor is no longer receiving assistance.

If the debt is an overpayment of assistance and there was a judicial or administrative finding of an intentional program violation, the debtor is eligible for revenue recapture.

The debtor must provide any documentation your agency requires to review for refund.

## Nonliable Spouse

You may receive questions from a nonliable spouse. Let's talk through a scenario. A couple filed their joint income tax return showing a refund of \$750. We took the entire refund to pay one spouse's debt. The other spouse has no referred debt and calls the agency to ask for their portion of the refund. This is a nonliable spouse situation.

We may apply a joint refund to debts owed by one of the spouses. The nonliable spouse may request a refund of their portion. Nonliable spouses must request their portion of any refund within 18 months of our recapture notice for that refund. For more information, see [Minnesota Rule 8165.0400](#).

If your agency receives a claim from a nonliable spouse, you must:

- Determine how much of the original refund belongs to the nonliable spouse by using our [calculation worksheet](#)
- Request a copy of the tax return and earning statement for the tax year to determine the refund amount
- Contact the Revenue Recapture Program about returning the refund and include the:
  - Full names of the liable and nonliable spouse
  - Social Security number for the liable spouse
  - Amount of offset
  - Amount to be refunded
- Update the claim balance in e-Services

## Overpayments and Refunds

You must contact us before you refund revenue recapture overpayments of \$40 or more to the debtor. This includes nonliable spouse situations. When you contact us, we determine if you must return the money to us or if you can refund it directly to the debtor. We will send you a letter identifying the debtor and amount to return to us. The letter contains voucher and instructions on how to return the overpayment. The voucher allows us to associate the payment to the correct debtor. Be sure to include it with your payment.

If we overpay an outdated claim by the full amount due, you may be responsible for refunding the recapture fee of \$15.

## Deceased Debtors

If you have claims against a deceased debtor, you must remove them before the statute of limitations expires, or 3.5 years after the due date of the final return, whichever is later.

Refunds will not apply after the three-and-a-half-year timeframe. Your agency can write off the balance as uncollectible.

If your agency adds a new claim for a deceased debtor, send the notice to the debtor's estate within five days of adding the claim.

If the post office returns the notification letter, use e-Services to locate a new address and resend the letter.

## Program Participation

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This lesson will discuss the service level agreement, audits, and suspension from the Revenue Recapture Program.

### Service Level Agreements

You can access the Service Level Agreement on our website. From the [Revenue Recapture Agencies page](#):

1. Expand the Resources section.
2. Select Service Level Agreements.

The Minnesota Department of Revenue provides a service level agreement that outlines agency responsibilities, Revenue's responsibilities, and program participation requirements. Your authorized agent signs the agreement. You may designate a separate user to manage your day-to-day claim administration.

An authorized agent is someone within your agency who may:

- Make decisions or sign contracts on the agency's behalf
- Supervise employees who refer debts (W-2 employees within your agency)
- Resolve issues related to how your agency administers claims and participates in the Revenue Recapture program

Select the [Revenue Recapture Service Level Agreement](#).

The service level agreement includes:

- Your legal right to administer claims and participate in the Revenue Recapture Program, outlined in Minnesota Statute 270A and Minnesota Administrative Rule 8165
- Definitions of terms
- Claim amount limitations
- Your duties as a claimant agency
- Revenue's duties
- Your responsibilities around data practice
- Legal requirements

Legal requirement information includes the length of the agreement and actions that would result in your agency's suspension from the program.

When you complete the Legal Requirements section of the service level agreement, be sure to:

- List all authorized users at your agency
- Explain how your agency qualifies according to statute

## Audits

We audit each agency periodically to make sure they follow statutes, Minnesota Rule, and the service level agreement. Some areas we focus on are:

- Notification letters
- Intercept types
- Claim accuracy
- Return mail process
- Nonliable spouse requirements
- Contested case hearing requirements
- Exemptions
- Statute of limitations
- Date of debt
- e-Services users

Agency audits allow us to:

- Address compliance with statutes and the service level agreement
- Keep customer information secure

- Ensure claim accuracy
- Reduce overpayments and refunds

## Suspensions

Suspending an agency from participating in the Revenue Recapture Program is a serious action we do not take lightly. We do this to uphold statutes and protect debtor rights.

Suspension may occur when agencies:

- Do not include required information in notification letters
- Create claims for debts with expired statute of limitations
- Do not remove satisfied or expired claims
- Withhold a nonliable spouse's portion of a refund after they request it
- Violate any part of the Revenue Recapture statutes or the service level agreement

We notify agencies of violations by mail. This gives them an opportunity to understand the violation and either fix it or appeal through a hearing.

We reinstate an agency after 90 days if they provide documentation of steps they took to fix current violations and prevent future violations.

## Conclusion

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The Revenue Recapture program is beneficial for agencies and the department. By regularly reviewing practices, we strive to hold the program to the highest standards and in accordance with the law.

## Knowledge Check

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1. Select the best answer. Your agency could be suspended from the Revenue Recapture program for:
  - a. Not including required information on your notification letters.
  - b. Creating claims for debts with expired statute of limitations
  - c. Not removing satisfied or expired claims

- d. Withholding the refund of a nonliable spouse after receiving a request
  - e. Violating any part of the Revenue Recapture statute or Service Level Agreement
  - f. All of the above
2. Select the best answer. What information is not required in your notification letter.
- a. Details of the debt including the basis, amount, and date
  - b. The Revenue Recapture program's contact information
  - c. The agency's intention of taking the debtor's refund
3. Which of the following are third parties?
- a. An accounting firm hired by your agency
  - b. A firm collecting debts on your behalf
  - c. Any business hired by your agency
  - d. All of the above
4. Your agency uses a debt collection service to resolve your debts. Can the debt collection service use e-Services to manage your Revenue Recapture claims?
- a. Yes
  - b. No
5. A debtor made a payment to your agency. When should you update the claim?
- a. No need, it updates automatically
  - b. By the end of the business day
  - c. Within thirty days
6. It is your agency's responsibility to review and address nonliable spouse claims.
- a. True
  - b. False
7. Updating claim balances means:

- a. Less overpayments and refunds to process
- b. More debts paid for the city, county, or state
- c. Your agency may receive all eligible refunds timely
- d. All of the above

You have completed the Revenue Recapture Act training to receive credit please select the Submit button.



## Knowledge Check Answers

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1. Select the best answer. Your agency could be suspended from the Revenue Recapture program for:
  - a. Not including required information on your notification letters.
  - b. Creating claims for debts with expired statute of limitations
  - c. Not removing satisfied or expired claims
  - d. Withholding the refund of a nonliable spouse after receiving a request
  - e. Violating any part of the Revenue Recapture statute or Service Level Agreement
  - f. All of the above**

**The Correct answer is f). All of the answers could cause a suspension from the Revenue Recapture program.**

2. Select the best answer. What information is not required in your notification letter.
  - a. Details of the debt including the basis, amount, and date
  - b. The Revenue Recapture program's contact information**
  - c. The agency's intention of taking the debtor's refund

**The correct answer is b). Do not include the Revenue Recapture program's contact information.**

3. Which of the following are third parties?
- a. An accounting firm hired by your agency
  - b. A firm collecting debts on your behalf
  - c. Any business hired by your agency
  - d. All of the above**

**The correct answer is d). Any of the above are third parties.**

4. Your agency uses a debt collection service to resolve your debts. Can the debt collection service use e-Services to manage your Revenue Recapture claims?
- a. Yes
  - b. No**

**The correct answer is b). Only individuals who work at your agency and have taken training can manage Revenue Recapture claims.**

5. A debtor made a payment to your agency. When should you update the claim?
- a. No need, it updates automatically
  - b. By the end of the business day
  - c. Within thirty days**

**The correct answer is c). You should update the claim within thirty days.**

6. It is your agency's responsibility to review and address nonliable spouse claims.
- a. True**
  - b. False

**The correct answer is a). Your agency is responsible to review and address nonliable spouse claims.**

7. Updating claim balances means:
- a. Less overpayments and refunds to process
  - b. More debts paid for the city, county, or state



c. Your agency may receive all eligible refunds timely

**d. All of the above**

**The correct answer is d).**