

The Federal Payment Levy Program

How it happens:

- Past due tax accounts are sent to FMS to be matched against pending federal payments that are due to you.
- Once past due tax accounts are matched with a payment due to you, the IRS will send you a Final Notice - Notice of Intent to Levy and Notice of Your Right to a Hearing.
- If the IRS doesn't hear from you within 30 days from the date on the Final Notice, they will transmit the levy electronically to FMS.
- This applies to all federal payments that can be levied except certain Social Security Benefits.
- From that point on, FMS may take up to 15 percent of any payment, or the exact amount of the tax owed if it is less than 15 percent of the payment..

- The levy will continue until your overdue taxes are paid in full, or other arrangements are made to satisfy the debt.
- Each time your federal payment is levied, FMS will send you a letter of explanation.

*Social Security Benefits:

- That CAN be levied: Social security benefit payments outlined in Title II of the Social Security Act, Federal Old-Age, Survivors, and Disability Insurance Benefits.
- That CANNOT be levied: Benefit payments, such as lump sum death benefits, **benefits paid to children**, and special benefits for persons aged 72 and over by 1971. Additionally, **SSI payments** under Title XVI, and payments with partial withholding to repay a debt owed to Social Security will not be levied through FPLP.



FEDERAL PAYMENT LEVY PROGRAM



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Federal Payment Levy Program

What Is The Federal Payment Levy Program?

The federal payment levy program was started in July 2002 by the IRS and the Department of the Treasury, Financial Management Service (FMS).

Through this program, the IRS can collect your overdue taxes. The IRS can put a continuous levy on certain federal payments disbursed by FMS and the money will go directly to the IRS instead of to you.

Federal Payments That Can Be Levied Through the Program:

- Certain Social Security benefits paid to you
- Federal Employee Retirement Annuities
- Federal payments made to you as a contractor/vendor doing business with the government (Including the department of defense)
- Federal employee travel advances or reimbursements
- Some federal salaries

AND

- In the future, additional federal employee salaries and other types of federal payments

When does this not apply:

In certain circumstances, federal payments will not be taken from a delinquent taxpayer. These circumstances include:

- when you are in bankruptcy
- When you have applied for relief as an innocent or injured spouse
- When you have made alternate arrangements to pay
- If the IRS has determined you are in a hardship situation

What to do:

What should you do if you receive a Notice of Intent to Levy:

- Make payment arrangements
- If it will cause a hardship to pay, call:

Taxpayer Advocate Service

1-877-777-4778

Low-Income Taxpayer Clinic

(904) 394-7450 ext. 134

1-866-256-8091



This brochure was prepared by:

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