



F.Y.I.

from the Policy Unit

FYI-073

Date: January 5, 2016

SUBJECT: Safeguarding Federal Tax Information

Please contact the Policy Unit if you have any questions regarding these or any other changes at [GEARUP>DCSE Collaboration – Teams>Policy Questions](#) or 602-771-8127
The IV-D PARTNERS should send POLICY inquiries directly to DCSS-POLICYQUESTIONS@azdes.gov

IRS regulations require that IV-D agencies handle all federal tax information (FTI) in a secure manner. This tip is a reminder that our state agencies and contractors receiving federal tax information must protect the confidentiality of FTI according to IRS safeguarding requirements.

FTI is any information collected or generated by the IRS and provided to DCSS about a person's possible tax liability. This includes personally identifiable information such as social security number, date and place of birth, mailing or email address, phone number, driver's license number, medical or employment information, financial information, mother's maiden name, and demographic data (e.g., height, weight, eye color).

Disclosing FTI:

- **Non-Custodial Parent (NCP):** The NCP has the right of access to any FTI maintained about him/her in the DCSS' files.
- **Custodial Parent (CP):** You may release the amount and date of federal income tax refund offset including the source of the payment. Federal income tax refund payments are the only source of payment applied to state assigned arrears first and therefore the CP has reason to know the source. The payment can be held for up to six months. However, the reason for the hold may not be disclosed. The CP may be told the disbursement of the offset is being delayed because it may be subject to adjustment. After the distribution, you can explain why the State retained the payment, if applicable. The CP cannot have access to NCP address, wage data, or any other FTI of the NCP.

- **IV-D Agencies:** You may disclose FTI to another IV-D agency to accurately record and administer offset collections and distributions among states that have a shared interest.
- **Office of Child Support Enforcement (OCSE) Auditors:** The DCSS may release all FTI to OCSE auditors.
- **Judges and Officers of the Court:** FTI may not be disclosed in state court proceedings. Federal tax offset payments may be disclosed provided payment sources are not disclosed orally or in writing from child support payment records.
- When corresponding with a party regarding FTI always use encrypted secure email. Do not use fax for correspondence regarding FTI.

Do not throw away documents containing FTI. Use designated shredders specific for the destruction of FTI and complete the corresponding entry in the IRS/FTI notice log that tracks the receipt, movement, and disposal of paper FTI.