**Section 285.1104 Processing a Claim Under Section 10.05**

The following provisions shall govern the processing of a claim under Section 10.05 of the Act:

a) Before making an offset, the Comptroller shall review the information provided by the State agency notifying the Comptroller of a claim and shall ascertain from that information the amount due and payable.

b) The Comptroller shall charge the State agency that submits a voucher against which an offset claim is applied for the full amount of the voucher submitted. The Comptroller shall draw a warrant on the treasury or on other funds held by the State Treasurer in the amount of the claim eligible to be offset and deposit that warrant into the State Offset Claims Fund. The State Offset Claims Fund shall be a trust fund established and administered by the Comptroller for the deposit of monies deducted from a person's warrant pursuant to an offset and the subsequent payment of monies back to either the State agency requesting the offset or the original payee. If, after 60 days have elapsed from the date the Comptroller gives notice of the offset as prescribed in Section 285.1106(a), no protest is made by the person subject to the offset, or upon notification to the Comptroller by the person subject to the offset that the person is waiving the 60 day protest period, the Comptroller shall issue a warrant on the State Offset Claims Fund for the amount of that deposit to the agency entitled to the offset. If a protest conforming to the requirements of Section 285.1106(b) is made, the Comptroller shall not issue the warrant to the State agency until the Comptroller ascertains the amount due and payable as provided in Section 285.1106(c).

c) If the Comptroller receives a proper request for a claim after he or she has drawn a warrant or warrants, the Comptroller shall, when feasible, reprocess the warrant in order that the offset may be taken, as provided for in this Section.

d) If the amount of the claim eligible to be offset is less than the amount to which the person is entitled, the Comptroller shall draw a warrant for the balance of the amount of the voucher against which the Comptroller has made the offset and shall issue that warrant to the person subject to the offset.

e) In cases in which offsets are to be made against an employee's wages or from pension annuity payments made under the Illinois Pension Code, no more than 25% of the employee's disposable earnings or annuity payments may be subject to offset. Final compensation payments paid to a person, when the person leaves the employ of a State agency, for accrued vacation or sick leave or overtime are exempt from the 25% limitation. State agencies may submit claims for offset for the entire amount owed to the State agency and the Comptroller's Offset System will compute the required 25% available for offset. In the event that the calculation of 25% of the employee's disposable earnings exceeds the net amount of the warrant (i.e., the employee's take-home pay), that employee's payroll voucher will be returned to the submitting State agency. A payroll reversal will be processed and the employee's voluntary deductions must be cancelled or reduced so that the employee's take-home pay will be sufficient to satisfy the amount calculated as available for offset. State agencies should contact their employees to determine which of the voluntary deductions are to be cancelled or reduced.

f) The limitations set forth in subsection (e) apply to:

1) wage or salary payments;

2) regular and continuing contractual payments made to an individual for personal services paid on a contractual payroll; and

3) pension annuity payments made under the Illinois Pension Code.

(Source: Amended at 43 Ill. Reg. 4534, effective March 26, 2019)