

NEW YORK CITY HEALTH & HOSPITALS CORPORATION

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!! CLAIM UPDATE !!

May/June 2012

The IRS has acknowledged receipt of our refund claim and we are working with them to finalize it. We do not have an expected final response date from the IRS, but we believe we will have a determination soon. We will continue to post updates here as we get information about the claim process and refund timing from the IRS. If your mailing address has changed since you submitted the consent form, please email your updated address to mrficarefund@nychhc.org along with your phone number (in case we have any questions).

!! SUBMISSION DEADLINE UPDATE !!

May / June 2012

The deadline for accepting consent forms is currently past and our refund claim materials have been submitted to the IRS.

!! Background and Contact Information !!

POSSIBLE FICA REFUNDS FOR MEDICAL RESIDENTS:

In March 2010, the IRS announced that it had made an administrative determination to accept the position that medical residents are, under certain circumstances, excepted from FICA taxes based on the student exception for tax periods before April 1, 2005, when new IRS regulations went into effect.

In a letter dated July 8, 2010, the IRS informed HHC it would consider medical resident FICA refund claims from HHC for the tax periods January 1, 1997 through December 31, 2000 and January 1, 2002 through March 31, 2005. Once submitted, the IRS will determine HHC's eligibility for refund, verify the amount of the claim(s), and only then begin issuing refunds. Be advised that medical resident refund claims will be subject to multiple levels of IRS regulations and review and HHC has not received any assurances from the IRS that HHC or its medical residents are eligible for such a refund. Therefore, it is possible that the claim may not be approved by the IRS.

The New York City Health & Hospitals Corporation (HHC) is in the process of perfecting claims for refunds of the FICA taxes withheld and paid on wages earned for services performed by its medical residents for the above tax periods. The claims are referred to as Medical Resident FICA Refund Claims (or MR Claims).

HHC cannot submit a refund claim of the FICA taxes that were withheld from a medical resident unless he/she provides HHC written consent to do so. If the current/former medical resident does not authorize HHC to claim a refund on their behalf, he/she may be precluded from receiving any refund of the FICA taxes withheld from their HHC paychecks because the time period for filing an individual claim for refund with the IRS may have expired.

In order for eligible medical residents to consent to have HHC claim a refund on their behalf, they must complete the HHC Medical Residents FICA Refund Consent Form and return the completed and signed original to HHC at the address shown at the bottom of the consent form. **HHC Medical Residents FICA Refund Consent Forms must be received no later than 5 p.m. February 28, 2011 to be included in HHC's claim.**

If a current/former medical resident has already claimed and received a refund or credit for FICA taxes that were withheld from their medical resident wages, or if he/she filed an individual refund claim for such FICA taxes and that claim is still pending with the IRS, then HHC will not be able to file the MR claim for the year(s) that they received a refund or credit or have a pending refund claim. This restriction does not apply if he/she filed a refund claim and it was rejected by the IRS.

Consent forms were mailed to all eligible HHC current and former medical residents beginning in September, 2010. Consent forms were mailed to the address on HHC's employee database unless an updated address was provided by Residency Program Directors. Additional mailings were made as updated address information was obtained.